



FINANCE COMMITTEE

CITY COUNCIL

MONDAY, JUNE 20, 2011
CITY COUNCIL OFFICE
5:00 p.m.

Committee Members: F. Acosta, Chair; D. Reed; J. Waltman

Although Council committee meetings are open to the public, public comment is not permitted. However, citizens are encouraged to attend and observe the committee meetings. Comment from citizens or professionals during the meeting may be solicited on agenda topics via invitation by the Committee Chair.

I. Role and Duties of Elected City Auditor

Language from Charter & Adm Code from Reading, Allentown & Harrisburg, along with outtakes from DCED Auditor's Handbook attached

II. 2012 Revenue Estimating Committee (Nagel)

III. Fire Pension Investment Advisor

IV. Pension Bank Accounts

V. Internal Revenue Code

VI. Report from City Auditor re Capital Project Audits (Projects Completed and Underway) *Audits provided are attached*

VII. Review Finance Reports (J. Nagel)

- **Cash Flow Report (General Fund – Cash Flow Report – Narrative)**

- Schedule of Transfers & Receipts (2011 Budget Transfers)
- Schedule of Interfund Transfers (Interfund Loan Chart)
- Budget Appropriation Transfers – Proposed

VIII. Review IT Monthly Report

Update on Data Cleansing

IX. Update Major Systems Residential Rehab – Program Amendment (D. Robinson)

X. Update - Collection Report for Delinquent Taxes and Misc Fines & Fees (RE01)

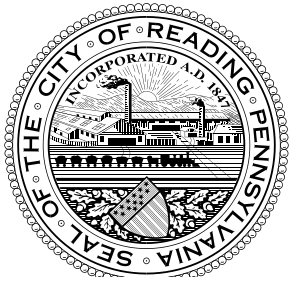
1. Update on Status of Linebarger Contract
2. Per Capita (Linebarger) - *Suggestion to ask School District to bill and collect Per Capita*
3. Permits & Miscellaneous(Linebarger)

XI. CD Report – *Written Report Only*

- a. Un-programmed CDBG Funds
- b. Closing out unpaid CD Loans (CD02)
- c. UDAG Fund
 - 2009 Balance Sheet/Income Statement
 - 2010 Balance Sheet/Income Statement and quarterly report for 2010 showing revenues and expenditures

XIII. Community Development Fund Accounting

XIV. Review Act 47 Recovery Plan Initiatives – *Written Report Only*



CITY COUNCIL

Finance Committee

Meeting Report Monday, May 16, 2011

Committee Members Attending: F. Acosta, chair, D. Reed, J. Waltman

Others Attending: L. Kelleher, H. Tangredi, C. Geffken, C. Younger, C. Zale, J. Nagel, D. Robinson

Mr. Acosta, chair, called the Finance Committee meeting to order at 5pm.

Role & Duties of Elected City Auditor

Mr. Acosta stated that as the Committee promised this issue will not be taken up until the June Finance meeting.

Cable Channels assigned under Franchise Agreement

Ms. Reed stated that Mr. Geffken, Mr. Nagle and Ms. Sterner, from Comcast, met last week to review this issue. At the meeting Ms. Sterner stated that the renewal of the Franchise Agreement occurred in 2007 with a 15 year term, running through 2022. The agreement provides the City a 5% annual Franchise Fee and a one (1) time \$160,000 payment from Comcast for the City to offset cost of operating the cable channels. She also noted that Comcast and the City in 2007 resolved a Franchise Fee dispute and negotiated payment of \$165,000. Annual Franchise Fees yields approximately \$700,000 annually for the City. These fees are paid by Comcast subscribers in Reading (approximately 17,500). Under the Franchise Agreement Comcast provides three (3) channels (public, educational, government). The MAC Channel is the government channel and it is available primarily in the City. The BCTV Channel is the public channel and that station is broadcast to the entire Berks County community. The County School Districts provide mixed programming on the educational channel. The government channel is used solely by the City however, the BCTV and school channels are used by other municipalities and entities so it is not practical to sell or lease one of the channels back to Comcast.

Mr. Nagel stated that Comcast has merged with NBC Universal and plans to provide an initiative that will offer discounted internet services to underprivileged families (those that qualify for the School District's free lunch program).

Ms. Kelleher noted that each municipality negotiates its own franchise agreement with Comcast individually; however the City provides the BCTV channel and the educational channel to the entire County.

Act 47 Plan – City Pension Plans

Mr. Nagel stated that while reviewing City ordinances PFM discovered that the City's three (3) pension ordinances do not meet the requirements of the Federal Internal Revenue Code. If the City's fails to make corrections, tax-exempt status of these plans could be eliminated. Mr. Nagel stated that the IRS had a window that allowed municipalities to correct their ordinances without penalty; however that window closed January 31st, 2011. He stated that he will check to see if this deadline was extended.

Mr. Nagel stated that Stevens & Lee has reviewed the Police, Fire and both versions of the Officers and Employees pension plan ordinances during the preparation of the Act 47 Recovery Plan. Correcting this inconsistency is one of the initiatives contained in the Plan. He described the various inconsistencies, as stated in the memo attached to the agenda. This issue has been reviewed with all three (3) Pension Boards who have agreed to jointly retain outside legal counsel to assist with the correction. He noted that it is still possible to submit a Voluntary Compliance Program filing with the IRS to bring deficient plans into compliance. He stated that this will prevent significantly larger sanctions in the event the IRS discovers the issues on its own. An RFP to identify outside legal counsel will be put out within the next month and it is expected that outside attorney will come on board by August or September.

Mr. Acosta inquired if Mr. Nagel is undertaking a review of all operations within the Finance Department and making corrections, as needed. Mr. Nagel replied affirmatively.

Capital Project Audit

Mr. Acosta noted Mr. Cituk's absence. He inquired if Ms. Kelleher invited Mr. Cituk to the meeting.

Ms. Kelleher stated that she invited Mr. Cituk, the same way she invites Mr. Geffken, Mr. Nagel and Mr. Zale, by emailing the agenda to them.

Mr. Acosta asked Ms. Kelleher when the last Capital Project audit was received from the City Auditor. Ms. Kelleher stated that the City Auditor has never completed a Capital Project

audit.

The Finance Committee asked Ms. Kelleher to prepare a letter from the Finance Committee requesting that Mr. Cituk begin providing Capital Project audits at the June Finance Committee meeting.

Review Finance Reports

Mr. Nagel reviewed the memorandum distributed electronically to City Council which provides highlights of the cash-flow report. Mr. Nagel stated that the City began April with a \$2.8M cash balance and ended April with a \$5M cash balance. Due to the one (1) month lag in receiving payments from the County, real estate tax revenues are currently behind last years pace by approximately \$4M. The total collected to date is \$7.2M.

Mr. Nagel stated that Berks EIT will be remitting Earned Income Tax collections quarterly with 20% sent in April, July and October, while May remittances will be at 40% due to the concurrent deadlines for Federal and State individual returns. To date the City has collected \$1.7M in Earned Income tax revenue, which is approximately 15.2% of that budgeted. He noted that the Business Privilege tax collection is significantly ahead of last years pace, whereby 59.8% of that budgeted has been collected.

He stated that the Real Estate Transfer tax is currently underperforming at 23.6% actual to budget. It is expected that the peek season for real estate transfers has just started and will be monitored closely.

Mr. Nagel reported that wage and salary expenses represent 33.3% of the annual budget to date; however the City is slightly ahead of last years pace. He reported that operating costs are also at 33.3% of the annual budget to date. He stated that this is slightly ahead of last year's pace and Finance task will be identifying and discussing budget variances. He noted that he may need to perform some budget adjustments by mid-year.

The Finance Committee thanked Mr. Nagel for this memorandum which provides an overview of the City's Finance reports.

IT Report

Mr. Tangredi highlighted the report distributed electronically. He stated that the human services guide will go up on the website this week. He stated that fewer employees are accessing the training opportunities scheduled through IT. He also stated that the next level of supervisory training will be provided to those employees who attended the initial sessions.

Update Major Systems Residential Rehab – Program Amendment

Mr. Robinson stated that Mr. Miller from NHS who will be administering the program made a presentation to Council in March of this year noting that the program will be provided in Ricktown and in the Perkiomen Avenue area.

Ms. Kelleher noted that at the April Finance Committee meeting the Finance Committee requested that the program be modified to provide 50% of the funding to Ricktown and the other 50% City-wide. She stated that an email conversation was held last week with Mr. Miller and others. The need for Council to decide whether the program would be age-based or income-based needs to be finalized.

After a brief discussion the Committee stated that the program eligibility should be income-based in Ricktown and asked that the City-wide program eligibility should be applied as it had been previously.

Update Collection Report for Delinquent Taxes & Misc. Fines and Fees

Mr. Geffken and Mr. Nagel stated that Linebarger has been underperforming and the contract with them will be discontinued. Another collection agency will be sought.

Review Act 47 Recovery Plan Initiative

Mr. Tangredi stated that the report is available on the City's website.

CD Report

Mr. Robinson distributed hardcopy of the projected 2011 CDBG income. A copy of this report is also linked to the Finance Committee agenda. He stated that the City has not obtained a confirmation letter from HUD regarding the funding levels for 2011 Calendar year. He stated that the City is expecting, at worst, to receive a 16% reduction.

The Committee requested information on the CD unprogrammed funds. Mr. Geffken stated that a report for the last three (3) years will be provided.

Other Matters

The Finance Committee meeting adjourned at approximately 6:30 pm.

Respectfully submitted by Linda A. Kelleher CMC, City Clerk

FOLLOW-UP REQUIRED

- Electronic financial reports to be provided with the committee agenda packets, including bullet point list of major items
- Amendment of the Recovery Plan to correct miscalculations
- Discussion on allocation of CDBG Funds for eligible projects in the 6 Council Districts
- 2011 Budget Follow-up Issues, assigned to Committees
- Per Capita Tax Collection – CG to ask RSD if they will take over billing and collection & Portnoff identification of those not currently paying
- Update to Major Systems Rehab Program – D. Robinson
- Report – Closing out old CDBG loans – D. Robinson
- Invite Comcast and BCTV re cable channels & franchise agreement – June meeting
- Role and Duties of City Auditor – June
- Inclusion of Council staff in training sessions organized by the Administration

ADMINISTRATIVE CODE

E. City Auditor.

§1-151. Power and Duties.

The City Auditor shall have financial oversight of the City of Reading finances and shall have those powers and duties prescribed by law, Charter or ordinance and include but not be limited to the following:

A. Section 503(A) through (L) of the Charter, "Responsibilities."40

B. Section 911(4) of the Charter, "Capital Projects Approved."41

C. Conduct audits of petty cash funds as appropriate.

(Ord. 17-1996, 6/24/1996, §5.01)

CHARTER

ARTICLE V

CITY AUDITOR

Section 501. Election and Terms.

The election of the City Auditor shall be held in municipal elections in the manner provided by law. The term of office of the City Auditor shall be four years commencing the first Monday in January after the election.

Section 502. Eligibility.

The candidate for City Auditor shall be a registered voter of the City who shall have resided in the City continuously for at least one year immediately preceding the primary election in which the City Auditor seeks office. The City Auditor shall continue to reside in the City throughout the term of office. In addition, the City Auditor must have a Bachelors Degree in Business Administration, Municipal Government, Accounting, Management or a related field. The City Auditor elected at the first election under this Charter shall receive an annual salary of \$40,000.00. ~~All future increases in the salary of the City Auditor shall be related to the salary of the Mayor; when the Mayor's salary is increased the salary of the City Auditor shall automatically be increased by the same amount.~~ *(The link between the Mayor and Auditor salary was eliminated via approval of the referendum question at the November 2008 General Election)*

Section 503. Responsibilities.

The City Auditor shall:

- (a) Have financial oversight of City finances, independent of the Executive and Legislative branches and shall review all expenditures of the Mayor, City Council, and City Boards, Commissions and Agencies;
- (b) Review the Annual Budget before approval by City Council, and make nonbinding recommendations to City Council for consideration;
- (c) Be present or represented at all Council meetings;
- (d) Perform specific audits of City finances from time to time as determined by the City Auditor or City Council;
- (e) Report to Council on the progress of the implementation of any recommendations as found in the Annual Audit and Management Letter;
- (f) Assist in all audits conducted by independent auditors;
- (g) Assure the accurate and timely completion and submittal of audit reports along with appropriate follow-up recommendations;
- (h) Furnish to City Council, the Mayor, the Managing Director, and others, as appropriate, periodic reports of audits conducted;
- (i) Interpret and communicate audit policies and procedures to all City management and staff;
- (j) Direct internal financial security and loss investigation activities;
- (k) Prepare an annual budget for the office of City Auditor and operate the office of City Auditor within approved budget limitations; and
- (l) Issue any subpoenas in order to fulfill the duties and responsibilities of the office of City Auditor.

Section 504. Forfeiture.

The City Auditor shall forfeit that office if the City Auditor:

- (a) lacks at any time during term of office for which elected any qualification for the office prescribed by this Charter or by law;
- (b) violates any express prohibition of the Charter; or
- (c) is convicted of any crime classified as a misdemeanor of the second class or higher, under the laws of the Commonwealth of Pennsylvania or the United States, or be convicted of any comparable crime under the laws of any other state in the United States.

In all cases of forfeiture, the City Auditor shall be entitled to notice and a hearing in accordance with the administrative procedures to be established by Council.

Section 505. Vacancy.

- (a) If the office of the City Auditor becomes vacant for any reason, Council shall appoint an interim City Auditor who shall serve until the next Municipal Election.
- (b) A vacancy in the office of City Auditor shall be filled at the next Municipal Election, in the manner provided by law. The person elected shall hold the qualifications for the office of the City Auditor and shall serve the remaining portion of the vacated term.

Section 506. Prohibitions.

- (a) The City Auditor shall not hold any compensated appointive City office or City employment during the term of office for which the City Auditor was elected.
- (b) The City Auditor shall not serve as an elected official in any other office in the Commonwealth of Pennsylvania or political subdivision thereof.
- (c) The City Auditor shall not hold any compensated appointed City office or City employment until one year after the expiration of the term for which the City Auditor was elected.
- (d) The City Auditor shall not serve as an employee of a municipal authority which is created solely or jointly by the City with one or more political subdivisions until one year after the expiration of the term for which the City Auditor was elected.
- (e) A City Auditor who has a financial interest, direct or indirect, or by reason of ownership of stock in any corporation, in any sale of land with the City or in any contract with the City, shall immediately make known that interest to Council. A City Auditor who wilfully conceals any such interest shall be guilty of malfeasance in office. Violation of this section with the knowledge expressed or implied of the person or corporation contracting with or making a sale to the City shall render the contract or sale voidable by the City.

FROM DCED – AUDITOR’S GUIDE HANDBOOK

Advisory Role of Elected Auditors

There are differences between professional auditing and the duties of elected auditors. By nature, professional auditing requires the auditor be a person trained in auditing and accounting. An elected municipal auditor is not required to have any training in auditing and accounting. By way of duties, the professional auditor not only examines the financial transactions of the unit, but also has a responsibility to recommend improvements in accounting procedures, internal control devices and related fiscal matters. The elected municipal auditor has no responsibility for the financial welfare of the municipality beyond the settlement of the accounts.

Elected auditors are unable to compel installation of adequate accounting methods where they are lacking. They are not required to prepare supporting financial statements nor to adhere to any generally accepted accounting principles. Obviously, this does not imply auditors are powerless in enforcing their findings where corrections are found necessary. The various codes provide that auditors may employ an attorney to assist in settling agreements. Furthermore, the auditors have the power to surcharge individual officers of the municipality for any balances found due. Auditors also have a power of subpoena to compel the attendance of witnesses and the production of necessary evidence.

These powers, properly used, constitute an effective office for insuring the financial affairs of a municipality are carried out in a legal manner. The powers available become less clear, however, with regard to making management recommendations to improve an otherwise legitimate method of operation. We suggest that the elected auditor take an advisory role in the improvement of municipal financial procedures as deemed appropriate. The elected auditors should, however, be reasonably certain that their position is valid since they can at times be personally responsible for the results of their work and recommendations. Any recommendations for operating improvements should therefore be properly developed and checked with knowledgeable municipal personnel prior to making them public.

Recommendations and related findings should include:

1. An explanation of the problem that exists.
2. The reason that the existing condition has a negative effect on the operation of the municipality.
3. The reason for the condition existing. This may include explanations provided by the municipality.
4. A discussion of the solutions ☹good business practice, laws, regulations.

5. Recommendation for operating improvements. It is suggested that any findings and recommendations be submitted in a separate management letter accompanying the Annual Audit and Financial Report. This letter should be addressed to the same parties as the report, should indicate its purpose, and should reference the Annual Audit and Financial Report.

Capital Projects Fund

Purpose of Capital Projects Funds

The capital projects fund is generally used to record the acquisition of major facilities through purchase or construction. These facilities are then used in general government operations. The projects can be financed through debt proceeds, taxes, grants from other governments or transfers from other funds. When projects are funded by way of debt proceeds, these proceeds are included under "other financing sources" in the revenues section of the Audit Report. The debt liability is accounted for separately in the general long-term debt account group. When projects are funded by grants from other governments, the grants are recognized as revenues to the capital projects fund as they are expended for eligible project purposes. Prior to that they are recorded as liabilities. Upon completion, capital assets are recorded in the fixed asset account group.

Audit Objectives

The objective of the audit is to obtain evidence that:

1. The financial statement(s) for capital projects funds are fairly stated.
2. Capital expenditures comply with budgetary, legal, grantor and contractual requirements

Audit Program - Capital Projects Funds

1. Refer to the audit programs for cash, investments, receivables, payables, transfers, revenues and expenditures in Sections 3, 4 and 6.
2. If projects are funded through grants from other governments, review any grant agreements to determine any contract terms the governmental unit must meet and test these if material.
3. Consider inspecting capital projects in process to verify their existence.

ALLENTOWN CHARTER

ARTICLE IV **CITY CONTROLLER**

SECTION 401 ELECTION AND TERMS

The election of the City Controller shall be held in municipal elections in the manner provided by law. The term of office of the City Controller shall be four (4) years commencing the first Monday in January after the election.

SECTION 402 ELIGIBILITY

The candidate for City Controller shall be a registered voter of the City and shall continue to reside in the City throughout the term of office. The City Controller elected at the first election under this Charter shall receive an annual salary of \$49,892. All future increases or decreases in the City Controller's salary shall be by referendum.

SECTION 403 RESPONSIBILITY

The City Controller shall:

A. Have financial oversight of City finances, independent of the Executive and Legislative branches and shall review all expenditures of the Mayor, City Council and City Boards, Commissions and Agencies;

B. Review the Annual Budget before approval by City Council, and make nonbinding recommendations to the Mayor and to City Council for consideration, if he or she deems it necessary;

C. Be present or represented at all Council meetings;

D. Perform specific audits of City finances from time to time as requested by the Mayor or by City Council;

E. Report, to the Mayor and to City Council, on the progress of the implementation of any recommendations as found in the Annual Audit and Management Letter;

F. Assist in all audits conducted by independent auditors;

G. Assure the accurate and timely completion and submittal of audit reports along with appropriate follow-up recommendations;

H. Furnish to City Council, the Mayor, and others, as appropriate, periodic reports of audits conducted;

I. Interpret and communicate audit policies and procedures to all City management and staff;

J. Direct internal financial security and loss investigation activities;

K. Prepare an annual budget for the office of City Controller and operate the office of City Controller within approved budget limitations; and

L. Issue any subpoenas in order to fulfill the duties and responsibilities of the office of City Controller.

ALLENTOWN ADMINISTRATIVE CODE

ARTICLE 131 **CITY CONTROLLER**

- 131.01 Election and Terms
- 131.02 Eligibility
- 131.03 Responsibility
- 131.04 Forfeiture of Office
- 131.05 Vacancy
- 131.06 Prohibitions
- 131.07 Bond Required
- 131.08 Accounts and Reports
- 131.09 Appointment of Acting Controller; Powers, Duties and Liability

131.01 ELECTION AND TERMS

The election of the City Controller shall be held in municipal elections in the manner provided by law. The term of office of the City Controller shall be four (4) years commencing the first Monday in January after the election. (Art. IV, §401)

131.02 ELIGIBILITY

The candidate for City Controller shall be a registered voter of the City and shall continue to reside in the City throughout the term of office. The City Controller elected at the first election under this Charter shall receive an annual salary of \$49,892. All future increases or decreases in the City Controller's salary shall be by referendum. (Art. IV, §402)

131.03 RESPONSIBILITY

The City Controller shall: Administrative Code – Part I, General and Administrative Provisions
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HARRISBURG WEBSITE

Harrisburg City Controller

[Comments](#)[Posts](#)

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General Information

The office of the Controller is an autonomous Office of City Government headed by the City Controller, an independently elected official. This office is responsible for the review and approval of all expenditures and obligations of the City.

Performing the internal audit function requires that all purchase orders, warrants, contracts and agreements be reviewed for compliance with the Third Class City Code, other state laws, City of Harrisburg administrative policies and City ordinances. The signature of the Controller is a legal requirement on all of the aforementioned documents. This office also issues monthly financial reports to the Mayor and City Council which analyze

revenues and expenditures for all budgeted funds.

Mission Statement

The mission of our office is to ensure the fiscal health of the City of Harrisburg by advising the general public, City Council and Mayor of the City's financial condition. We believe transparency in government is an essential tool to fiscal health and are committed to providing it to all. It is our duty to monitor and enforce the annually adopted budget, perform necessary audits and assure that all expenditures are correct and appropriately authorized. In the course of performing our duties we strive to improve the efficiency and effectiveness of city government in general.

For information on how to contact us and other city officials please visit the [Contact Us](#) page.



Daniel C. Miller, MBA, CPA, is the founder of Miller Dixor. During the past twenty-five years he has concentrated his accounting, tax preparation and small business consulting experience. His experience included financial accounting with both a large accounting firm and Fortune 500 corporation. He has thousands of individual income tax returns and worked with many small businesses. Mr. Miller has spoken on management planning and income tax matters and has participated in several lectures throughout Central Pennsylvania. He has worked with many organizations, including a large number of physician practices. He has taught scores of QuickBooks accounting produced by Miller Dixon Drake in cities all over the east coast as far west as Cincinnati. Mr. Miller is a member of the American Institute of Certified Public Accountants and the Pennsylvania Society of Accountants. He received his B.S. in Accounting from Elizabethtown College and his Masters in Business Administration (MBA) from Pennsylvania State University, University Park. He has served on the Board of Directors of many community organizations including the Harrisburg County General Authority. Mr. Miller was elected to Harrisburg City Council in November 2005 and served as Vice President in 2009. In November 2009 he was elected Harrisburg City Controller for a four year term that began in January 2010. In October 1991 he was fired from his Camp Hill, PA CPA job "for being gay". After his own firm to which many clients followed him, he was sued by his previous employer. This lawsuit was of national interest, finally appealed to the U.S. Supreme Court. The New Yorker published a comprehensive article on his plight in June 1994. Mr. Miller resides in Harrisburg, PA with his partner of twenty years and

[The New Yorker: Dan Miller Feature Article](#)

William P. Leinberger, CMA, CFM, began his tenure with the City of Harrisburg in 1999 as the City's Accounting and Financial Reporting Systems Manager in the Accounting Office. This position was responsible for cash flow planning related to payroll, debt service, and operations; Maintaining and adjusting the City's ledger accounts, including all year-end adjustments; Coordinating the annual audit with the external auditing firm; Preparing the annual State Liquid Fuels report; Calculating the City's annual Minimum Municipal Obligation for three pension plans; Preparing the annual Debt Statement; Preparing the annual Auditor General Municipal Pension and Fire Relief forms; Preparing the annual Public Utility Realty Tax Act filing; The Unclaimed Property report; Fixed asset reporting; and the year-end IRS Form 1096 filing. Mr. Leinberger was promoted to the position of Finance Director, reporting directly to the Business Administrator. While maintaining his responsibilities as the Accounting and Financial Reporting Systems Manager, he also had responsibility for the Department of Administration's Budget Office and Purchasing Office, while working closely with the Treasurer's Office. This position played an integral role in creating and coordinating the annual budget, the Mid-Year budget projections, year-end reallocation plan and budgetary control through the City's encumbrance system. In January of 2010, Mr. Leinberger assumed the position Chief Deputy Controller for the City of Harrisburg. He hopes to utilize his prior fiscal experience to fulfill the Controller's Office mission of "ensuring the fiscal health of the City of Harrisburg by advising the general public, City Council, and Mayor of the City's financial condition".



Mr. Leinberger has also served the public as a Tax Examiner for the Internal Revenue Service at the Philadelphia Service Center and as a Fiscal Associate for the State of Maryland, Carroll County Health Department. He has also worked in the private sector for a regional banking institution performing the investment accounting and securities and Exchange Commission reporting. He received his Bachelor of Science degree from Pennsylvania State University with a major in Professional Accountancy.



Rosemarie Witmer fulfills the position of Auditor within the Controller's office. Her 32 years of experience in the City Controller's office are invaluable. She performs many duties and is most involved with reviewing expenditures to ascertain accuracy, appropriateness and proper authorization.

- A. Have financial oversight of City finances, independent of the Executive and Legislative branches and shall review all expenditures of the Mayor, City Council and City Boards, Commissions and Agencies;*
- B. Review the Annual Budget before approval by City Council, and make nonbinding recommendations to the Mayor and to City Council for consideration, if he or she deems it necessary;*
- C. Be present or represented at all Council meetings;*
- D. Perform specific audits of City finances from time to time as requested by the Mayor or by City Council;*
- E. Report, to the Mayor and to City Council, on the progress of the implementation of any recommendations as found in the Annual Audit and Management Letter;*
- F. Assist in all audits conducted by independent auditors;*
- G. Assure the accurate and timely completion and submittal of audit reports along with appropriate follow-up recommendations;*
- H. Furnish to City Council, the Mayor, and others, as appropriate, periodic reports of audits conducted;*
- I. Interpret and communicate audit policies and procedures to all City management and staff;*
- J. Direct internal financial security and loss investigation activities;*
- K. Prepare an annual budget for the office of City Controller and operate the office of City Controller within approved budget limitations; and*
- L. Issue any subpoenas in order to fulfill the duties and responsibilities of the office of City Controller. (Art. IV, §403)*
- M. The City Controller shall maintain an encumbrance system of budget operation. He or she shall receive from the Director of Finance and department heads such information regarding City properties and obligations and City income and expenditures as deemed necessary to carry out these duties. The Controller shall furnish the Director of Finance, other department heads and Council a report concerning these matters at least monthly and at such other times as he the Controller deems necessary. (12497 §1 1/20/82)*
- N. The City Controller shall review all warrants for the expenditure of City monies and, if satisfied that such expenditures are within the budget allotment pertaining thereto, shall sign such warrants before they are presented to the City Treasurer for payment. In so doing, the Controller shall also preaudit all claims and demands against the City prior to payment and shall approve warrants for payment thereof only if satisfied that such payment is in accordance with law. (11787 §502 1/20/70)*

Cable Channels Assigned under Franchise Agreement

From: John B. Nagel
Sent: Wednesday, May 11, 2011 12:03 PM
To: Linda A. Kelleher
Cc: Donna Reed; Carl E. Geffken
Subject: Comcast Franchise Agreement

Linda

I believe that the Finance Committee agenda will include an item for the Comcast Franchise Agreement. To that end, I provide a summary:

Donna Reed, Carl Geffken and I met with Liz Sterner from Comcast this week. The City last negotiated a renewal of the agreement in 2007. Its term is for 15 years, running through 2022. In addition to the 5% annual franchise fee, the City received a onetime \$160,000 payment from Comcast for use by the City in offsetting our costs of operating our cable channels. Additionally, Comcast and the City resolved a franchise fee dispute in 2007 for \$165,000. In 2010, the City received \$704,000 in annual franchise fees. These fees are paid by the approximate 17,500 Comcast subscribers in Reading. Under the agreement, Comcast provides three channels (public, educational and government). We discussed the possibility of selling or leasing one of the channels back to Comcast in exchange for other economic benefits. Due in part to the use by other public entities of these channels, that option is not practical.

Since Comcast has merged with NBC Universal, one initiative that is being developed is for Comcast to provide discounted internet service to underprivileged families. For a deeply discounted monthly fee, some of our residents can receive full cable television services from Comcast. The qualifying event is that the resident meets the qualification for free meals at public schools.

Thanks

John

John B. Nagel
Director of Administrative Services
City of Reading, PA
(610) 655-6268

REQUEST FOR PROPOSAL
FIRE PENSION INVESTMENT ADVISOR
CITY OF READING
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PURPOSE

The City of Reading is requesting proposals from professional companies to provide investment, management, and administration for the Fire Pension. C The contract shall be for a period of two years. The City may renew the contract for a maximum of two (2) additional one (1) year periods without having to open this category for new proposals.

PROPOSAL SUBMISSION

The original proposal, six (6) copies shall be submitted in a sealed envelope that shall plainly indicate on it the title of the proposal and the date for receiving. This shall be delivered to the City Purchasing Coordinator, Room 2-45 , City Hall, 815 Washington Street, Reading, PA, until 2:00 PM, prevailing time on Wednesday, July 6, 2011. The envelope shall be clearly labeled as RFP for Fire Pension Investment Advisor.

Proposals received at the Office of the Purchasing Coordinator after the hour specified will not be considered.

PRE-PROPOSAL CONFERENCE

No pre-proposal conference will be held. To facilitate the clarification of requirements, proposers are requested to submit their questions, in writing, by 10:30 a.m. on Thursday, June 16, 2011. Any interpretation made to prospective proposers, will be expressed in the form of an addendum which, if issued, will be conveyed in writing to all prospective proposers by 2:00 p.m. on Friday, June 24, 2011.

PROPOSER'S CLARIFICATION

By submitting a proposal, the proposer certifies that the RFP has been fully read and that the proposer understands the proposal method and has full knowledge of the scope, nature and quality of work to be performed.

INSURANCE

The Successful Proposer, at the time of execution of the contract, shall also furnish the City with insurance certificates of adequate limits, as later indicated, to protect the City of Reading, its agents, and employees from any litigation involving Worker's Compensation, Public Liability and Property Damage, involved in the work. All subcontractors must also furnish copies of their liability insurance and Worker's Compensation Insurance certificates to the City. No subcontractor will be allowed to perform any work under this contract by the City unless such certificates are submitted to and approved by the City beforehand.

WORKER'S COMPENSATION AND PUBLIC LIABILITY AND PROPERTY DAMAGE INSURANCE

The status of the Proposer in the work to be performed is that of any independent Proposer and as such, he shall properly safeguard against any and all injury or damage to the public, to public and private property, materials and things, and as such he alone shall be responsible for any and all damage, loss or injury to persons or property that may arise, or be incurred, in or during the conduct or progress of said work without regard to whether or not the Proposer, subcontractors, agents, or employees have been negligent, and the Proposer shall keep the City free and discharged of and from any and all responsibility and liability therefore of any sort or kind. The Proposer shall assume all responsibility for risks or casualties of every description, for any or all damage, loss or injury to persons or property arising out of the nature of the work from the action of the elements, or from any unforeseen or unusual difficulty, including all legal defense costs incurred by the City. The Proposer shall assume and be liable for all blame and loss of whatsoever nature by reason of neglect or violation of any Federal, State, County or Local laws, regulations, or ordinances; the Proposer shall indemnify and save harmless the City from all suits or actions at law of any kind whatsoever in connection with this work and shall if required by the City, produce evidence of settlement of any such action before final payment shall be made the City. Proposer's Liability Insurance Certificate shall include the save harmless clause and shall be filed with the City.

The Proposer shall maintain such insurance as will protect the proposer from claims under worker's compensation acts and from claims for damages because of bodily injury, including death, and property damage, which may arise from and during operations under this Contract, whether such operations be by himself, by any subcontractor or anyone directly, or indirectly employed by either of them. Proposer's liability insurance shall be in the names of the Proposer and the City as their respective interests may appear. Each policy and Certificate of Insurance shall contain an endorsement naming the City of Reading as additionally insured. Certificates of such insurance shall be filed with the City.

The minimum amount of liability insurance to be maintained by the Contractor during the life of the contract shall be as follows:

Comprehensive General Liability – for bodily injury and property damage – including any liability normally covered by a general liability policy with limits of not less than \$1,000,000 per occurrence and \$2,000,000 in the annual aggregate.

Professional Liability – in minimum amounts of \$1,000,000 per occurrence and \$2,000,000 aggregate.

Prior to commencement of performance of this Agreement, Contractor shall furnish to the City a certificate of insurance evidencing all required coverage in at least the limits required herein, **naming the City of Reading, its elected officials, agents, and employees as additional insureds under the Comprehensive General Liability coverage**, and providing that no policies may be modified or cancelled without thirty (30) days advance written notice to the

City. Such certificate shall be issued to: ***City of Reading, 815 Washington Street, Reading, PA 19601.*** All policies shall be in effect with companies holding an A.M. Best rating of “A-” or better and shall be licensed to do business in the Commonwealth of Pennsylvania. Such companies shall also be acceptable to the City.

Please forward a certificate of insurance verifying these insurance requirements.

All subcontractors performing work under this contract must furnish to the City a copy of their Certificate of Insurance for Worker’s Compensation and liability for bodily injury and property damage.

EQUAL EMPLOYMENT OPPORTUNITY

During the performance of this Contract, the Proposer agrees as follows:

The Proposer will not discriminate against any employees or applicant for employment because of race, color, religion, sex, or national origin. The Proposer will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, sex or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Proposer agrees to post in conspicuous places, available to employees and applicants for employment, notices which may be provided by the City setting forth the provisions of this nondiscrimination clause.

The Proposer will, in all solicitations or advertisements for employees placed by or on behalf of the Proposer, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

In the event of the Proposer’s noncompliance with the non-discrimination clauses of this Contract or with any of the said rules, regulations, or orders, this Contract may be canceled, terminated, or suspended in whole, or in part and the Proposer may be declared ineligible for further City contracts.

The Proposer will include the provisions of these paragraphs in every subcontract or purchase order unless exempted.

EMPLOYMENT OF CERTAIN PERSONS PROHIBITED

No person who, at the time, is serving sentence in a penal or correctional institution shall be employed on the work covered by this Contract.

ALTERATIONS OR MODIFICATIONS

This contract will be under the direct supervision of the City or its authorized representatives. Any alterations or modifications of the work performed under this contract shall be made only by written agreement between the Proposer and the City authorized representatives and shall be made prior to commencement of the altered or modified work. No claims for extra work or materials shall be allowed unless covered by written agreement.

SUBCONTRACTS

The Proposer will not be allowed to subcontract work under this contract unless written approval is granted by the City. The Subproposer, as approved, shall be bound by the conditions of the contract between the City and the Proposer. The authorization of a Subproposer is to perform in accordance with all terms of the contract and Specifications. All required notices, work orders, directives and requests for emergency services will be directed to the Proposer. All directions given to the Subproposer in the field shall bind the Proposer as if the notice had been given directly to the Proposer.

RIGHT TO AUDIT RECORDS

The City shall be entitled to audit the books and records of a proposer or any sub-proposer to the extent that such books and records relate to the performance of such contract or sub-contract. Such books and records shall be maintained by the proposer for a period of three (3) years from the date of final payment under the prime contract and by the sub-proposer for a period of three (3) years from the date of final payment under the sub-contract unless a shorter period is otherwise authorized in writing.

The City of Reading is tax exempt.

DISSEMINATION OF INFORMATION

During the term of the resulting contract, the successful proposer may not release any information related to the services or performance of services under the contract, nor publish any report or documents relating to the City, the account or performance of services under the agreement without prior written consent of the City; and shall indemnify and hold harmless the City, its officers, agents, and employees from all liability which may be incurred by reason of dissemination, publication and distribution, or circulation, in any manner whatsoever, of any information, data, documents, or material pertaining to the City, the account or the contract by the proposer or its agents or employees.

BUSINESS PRIVILEGE TAX

The City of Reading imposes a Business Privilege License, at \$55.00 per calendar year. In addition, a Business Privilege Tax is imposed at the rate of 2 ¼ mills upon the gross receipts attributable to business conducted within the City of Reading.

PERMITS / LICENSES

The Proposer shall, at his expense, pay all fees and procure all necessary licenses and permits needed to conduct the work required under the terms of this contract. The Proposer shall give any and all necessary formal notices required in conjunction with the lawful prosecution of the work of this contract.

OBSERVANCE OF LAWS, ORDINANCES AND REGULATIONS

The Proposer at all times during the term of this contract shall observe and abide by all Federal, State, and Local laws which in any way affect the conduct of the work and shall comply with all decrees and orders of courts of competent jurisdiction. The Proposer shall comply fully and completely with any and all applicable State and Federal statutes, rules and regulations as they relate to hiring, wages, and any other applicable conditions of employment.

WITHDRAWAL OF PROPOSALS

Proposers will be given permission to withdraw any proposals after they have been received by the City's Purchasing Coordinator at his/her office, provided said request is in writing and properly signed or by telegram and is received at least two (2) hours prior to the time and date set for the opening. Request by telegram must be confirmed in writing, properly signed, which must be delivered within twenty-four (24) hours of the time and date set for the opening. No proposals may be withdrawn for a period of ninety (90) days following the formal opening and receipt of proposals by the City of Reading.

PROPOSAL REJECTION

The City of Reading reserves the right to reject any or all proposals and to accept or reject any part of any proposal. It also reserves the right to waive any technical defects or minor irregularities, which in its discretion, is in the best interest of the City.

EXECUTION OF CONTRACT

The successful Proposer shall, within ten (10) calendar days after mailing of contract documents by the City to the Principal, enter into contract with the City.

The contract, when executed, shall be deemed to include the entire agreement between the parties; the Proposer shall not base any claim for modification of the contract upon any prior representation or promise made by the representatives of the City, or other persons. All attachments are considered as part of this document.

CONTRACT TERMINATION

The City shall have the right to terminate a contract or a part thereof before the work is completed in the event:

- A. Previous unknown circumstances arise making it desirable in the public interest to void the contract.
- B. The proposer is not adequately complying with the specifications.
- C. The proposer refuses, neglects, or fails to supply properly trained or skilled supervisory personnel and/or workers or proper equipment.
- D. The proposer in the judgment of the City is unnecessarily or willfully delaying the performance and completion of the work.
- E. The proposer refuses to proceed with work when and as directed by the City.
- F. The proposer abandons the work.

Proposers who have questions concerning various aspects of this Contract should contact the following person:

Tammi Reinhart, Purchasing Coordinator
City Hall, 815 Washington Street
Reading, PA 19601-3690
610/655-6427 (fax)
tammi.reinhart@readingpa.org

SCOPE OF SERVICES

The Municipal Pension Plan Funding Standard and Recovery Act, as amended by the Act of September 18, 2009m requires each Municipal Pension to develop procedures which will facilitate the selection of the most qualified firms and individuals for professional service contracts.

The purposes and powers of the review committee are identified as the following: it shall meet at least once a year to review the investments of the fire pension fund and to make any recommendation to the Pension Board concerning the investments. However, the review occurs with greater frequency than every year, and is at least quarterly. Those responding to this RFP will be expected to attend quarterly review meetings and provide appropriate data for scrutiny by the Pension Board.

In addition to this, firms responding to the RFP should understand that the municipality seeks a person that will perform all of the following and all other associated and required functions at the lowest possible cost:

Investment of pension funds at the highest possible rate of return while maintaining the security of the funds, preservation of principal and the generation of income and liquidity of funds as specified by the City's investment policy.

Manage the City's pension funds through regular reporting requirements that identify monthly returns compared to the Pension Board's determined benchmarks. The reports should be available for the City's quarterly meetings or with a different frequency as communicated by the Pension Board.

The written reports should describe the content, activity and status of all investments as well as regular reporting to and interaction with the City's actuary, manager, auditor and finance personnel.

Completing all administrative and maintenance functions including all non-actuarial reporting that may be required by governmental agencies and municipal personnel; and most importantly, the monthly issuance of retiree checks and issue 1099-Rs.

The successful firm must appoint a client representative who is accessible by phone and available for meeting approximately quarterly to interact with City officials and personnel to answer questions or concerns as needed and to assist with implementing changes, additional, adding retirees, etc. at no additional cost to the City.

FORM OF PROPOSAL

All proposers shall be aware that the RFP and the responses thereto are in the public domain; therefore, proposers shall identify specifically any information contained in the proposal which is to be considered confidential or proprietary and exempt from disclosure. Blanket statements that entire submittals are confidential shall be unacceptable.

All proposals will become the exclusive property of the City and will not be returned.

Proposals shall be prepared simply and economically, providing a straightforward, concise description of the proposer's ability to fulfill the requirements of the Request for Proposal. In order to insure a uniform review process and to obtain the maximum degree of comparability, it is required that proposals be organized in the manner specified.

INFORMATION REQUIRED OF PROPOSER

Response Section 1: Company Information

1. Provide the full name of your person or organization.
2. List the name and addresses of your parent organization and/or other affiliates. Provide a brief description of each relationship.
3. Provide a brief summary of your firm. Attach a copy of your most recent annual report.
4. List the addresses of the local office that will provide service for our relationship.
5. NOTE: This section is included in the attachment "Professional Service Application and Contract Disclosure" and should be disclosed where applicable on that form. Disclose the names and titles of each individual who will be providing professional services to the City, including advisors or subcontractors of the proposed provider. The disclosure and personnel information shall include, but not be limited to the following:
 - A. Whether the Person providing services or any principal in the entity providing services is a current or former official or employee of the City.

- B. Whether the Person providing services or any principal in the entity providing services has been a registered Federal or State lobbyist.
 - C. Whether the Person that intends to enter or enters a Professional Service Contract is or has been employed or compensated by a third party intermediary, agent or lobbyist to directly or indirectly communicate with a City official or employee in connection with any transaction or investment involving the Contractor or the Municipal Pension. This disclosure requirement shall not apply to an officer or employee of the investment firm who is acting on behalf of the firm, including the actual provision of the legal, accounting, engineering, real estate or other professional advice, services or assistance pursuant to a Professional Service Contract with the Municipal Pension.
 - D. A description of the responsibilities of each individual with regard to the contract.
 - E. Resumes of the Person and any individual employed by the Person who intends to provide or provides service to the Municipal Pension. To be included ought to be the name of the main person(s) and contact(s) for our relationship. Please include information on their education, backgrounds, certifications and levels and duration of experience.
6. If there have been significant changes in your organization in the past twelve months, please provide a summary of the changes and include a timeline.
 7. If your organization is planning to implement changes during the next two years, please provide a summary of the changes and include a timeline.
 8. Provide a history of your investment consulting services and include the years of experience.
 9. Specify whether you and your firm are registered investment advisors and include descriptions (i.e., NASD).

Response Section II: Summary of Services

1. Outline the intended method of developing appropriate investment policies for the City's Fire Pension Fund.
2. Describe your intended interaction and involvement with the City during the investment policy development process.
3. Outline your opinions and any time frames for implementing an appropriate asset allocation mix.
4. Describe your intended interaction and involvement with the Fire Pension Board during the asset allocation process.
5. Describe your method and time frame for identifying the potential investment managers. Include any databases you typically utilize in your search.
6. Describe the role that your firm would like to take in manager presentation to the Board.
7. If you and your firm receive any direct or indirect compensation from the managers you help us select, please describe.
8. Please comment on the frequency with which portfolios would be priced and the treatment of the fees.

9. Provide the methodology used to compute investment manager rates of return. If the rates of return include the use of accrued income, please explain. Provide a description of how you incorporate accrued income into the calculations of returns.
10. Provide a description of how you evaluate “value added” in active management.
11. Describe your process for reviewing investment manager compliance of investment objectives and guidelines.
12. Specifically describe your performance evaluation system and philosophy related to investment objectives and guidelines.
13. Provide a list of relevant services that your firm outsources. Include information on your ability to include changes to the services or software to meet the reporting needs of the Board.
14. Provide information on the timing of distributing copies of the investment performance measurement reports to the Board following the end of a reporting period. Specifically describe what types of exhibits would be used in a summary report presented to the Fire Pension Board and include other types of exhibits that you would want to include in a detailed performance analysis. Please provide copies of the sample reports.
15. If your company proposes custodial services for the City’s account, please provide a list and description of service charges.
16. If your company will provide online access for the Fire Pension Board, to view assets and account values, please include a description of how often the values are updated.

Response Section III: References

1. Quantify the number of clients using your services and include the value of funds currently under existing consulting agreements.
2. Provide the number of clients which are public retirement plans. Include the number of Pennsylvania City/Borough/Township pension plan clients currently under existing consulting agreements.
3. Provide three client references with at least two being public retirement plans and identify their asset size, phone numbers and a contact name.

Response Section IV: Fees

Note that a Profession Service Contract shall not be amended to increase the cost of the contract by more than ten (10%) percent or \$10,000, whichever is greater, unless the increase and a written justification for the increase are public and posted on the City’s website at least seven days prior to the effective date of this amendment.

1. Provide a detailed description of the fees for proposed service.
2. Specify fees or expenses that would be recurring, versus “one time” or initial fees.
3. Provide the period of time that the fee schedule is guaranteed. Please attach a sample engagement contract.
4. Describe any additional charges that may apply.

Response Section V: Other Services

1. Please provide any other relevant services, and the details of those services, that are included in this proposal.
2. Are there additional comments or suggestions that the Fire Pension Board ought to consider?
3. If selected, describe the likely transition process from the current advisor and include a proposed timeline.

Response Section VI: Conflicts of Interest

NOTE: Some elements of this section are included in the attachment "Professional Service Contract Disclosure", and should be disclosed entirely on that form. In order to prevent conflicts of interest on the part of any person providing services to the Municipal Pension, there shall be a minimum of one-year restriction on: participation by a former employee of a Contractor or potential Contractor in the review of a proposal or negotiation of a Professional Service Contract with the Contractor; and, participation by a former employee of the Municipal Pension in the submission of a proposal or the performance of a Professional Service Contract. Also, in regard to the relationships and gifts: a "Person or an affiliated entity that enters into a Professional Service Agreement with the City may not have a direct financial, commercial, or business relationship with any official of the City unless the City consents to the relationship following full disclosure"; and a "Person who enters into or proposes to enter into a Professional Service Contract may not offer or confer a gift having more than a nominal value, including a gift of money, services, loans, travel, lodging, entertainment, discount or other thing of value, to any City official, employee or fiduciary".

All Persons "enter into a Professional Service Contract or submitting an RFP with the hope of entering into a Professional Service Contract who in any other way solicits a Professional Service Contract shall annually disclose all Contributions to which all of the following apply:

- A. The Contribution was made in the last five years;
- B. The Contribution was made or caused to be made by an officer, director, executive-level employee or owner of at least 5% of the person or Affiliated Entity;
- C. The amount of the contribution was at least \$500.
- D. The contribution was made to:
 1. A candidate for any public office in the City or to an individual who holds that office;
 2. A political committee of a candidate for public office in the City or of an individual who holds that office.

In addition, Persons shall disclose the information and identify the following as it relates to "Conflicts of Interest".

1. If you, your firm or affiliate manage money for clients, please describe the organizational controls implemented to prevent any conflicts of interest.
2. If your firm or affiliate is a broker/dealer, explain how your firm trades for client accounts through this broker/dealer. Describe the organizational controls implemented to prevent any conflicts of interest.
3. If you buy products or services from any investment advisors, please describe.

4. If you sell products or services to any investment advisors, please describe.
5. If you sell database information and/or performance analysis to investment managers, please explain if you receive compensation directly or indirectly. Include a summary of how you prevent conflicts of interest.
6. If you charge direct or indirect fees for investment managers to be included in your firm's database, include a listing and description of the fees. Provide a summary of how you prevent conflicts of interest.
7. Describe the circumstances under which you would receive or could receive fees or soft dollars from investment managers or their affiliates.
8. Specify the circumstances under which you would receive fees, or any other hard or soft dollar arrangements, from broker/dealers and provide a brief description.
9. Explain in detail, any potential conflicts of interest that may exist should you be selected. Please include any activities of affiliated or parent organizations as well as other client relationships which may inhibit services.
10. Provide the date, amount and recipient of any political contributions you have made, in excess of \$500.00 to any City elected official or related elections committee from January 1, 2006 to the present. Note that a "Person that enters into or has applied form, submitted an offer, or bid for, responded to a request for proposal on or otherwise solicited a Professional Service Contract with a Municipal Pension or an agent, officer or director or employee of that Person may not solicit a Contribution to any City official or candidate for City office or to the political party or political action committee of that official or candidate. Further, a "Person or an affiliated entity that, within the past two years, has made a contribution to a City official or candidate for municipal office in the municipality which controls the Municipal Pension may not enter into a Professional Service Contract with the City except that the two-year restriction shall not apply to any contribution made prior to December 17, 2009".
11. Complete the attached "Professional Service Contract Disclosure" and "Professional Service Application and Contract Disclosure".

CITY OF READING
PROFESSION SERVICE CONTRACT DISCLOSURE
FOR PERSONS WHO HAVE ENTERED INTO A PROFESSIONAL CONTRACT

Must disclose all of the above information upon proposal in addition to the following upon the rewarding of the contract.

Note: The purpose of this form is to facilitate disclosure requirements under Act 44.

1. Person or affiliated entity with a Professional Services Contract must disclose the following information about any contributions of an aggregate of \$500 or more made within the past five years to a public official or candidate for public office in the Commonwealth, or political action committee for the official or candidate:

Name of Contributor _____

Address of Contributor _____

Contributor's relationship to the Contractor _____

Name of person receiving Contribution _____

His/Her office or position _____

Contribution amount _____ Date _____

2. Must disclose any gifts made to a City official or employee:

A gift was made to _____ on _____ for _____
_____ by _____ (attach additional
sheets if necessary).

3. Disclosure of the employment retention of any third-party intermediary, agent or lobbyist hired to directly or indirectly communicate with City official or employee, and duties of said intermediary:

_____ Of _____ was
employed by _____ for the period of _____
_____. While employed, he/she was responsible for the following duties _____

_____.

4. Must disclose any financial relationship.

CITY OF READING

PROFESSIONAL SERVICE APPLICATION AND CONTRACT DISCLOSURE

A disclosure is required in order to submit a proposal or enter into a Professional Service Contract for the Municipal Pension. Please use a separate disclosure form for each Person providing or proposing to provide services to the City.

A. FOR PERSONS SUBMITTING APPLICATIONS UNDER PROPOSAL

1. Information of each individual (including advisors or subcontractors) who will be providing professional services to the Township:

Name _____ Title _____

Current or former Official or employee of municipality _____ yes _____ no

Registered Federal or State Lobbyist _____ yes _____ no

Employed or compensated by a third-party intermediary, agent or lobbyist to directly or indirectly communicate with a City official or employee in connection with any transaction or investment involving the Contractor or Municipal Pension:

_____ Yes _____ no

Description of Responsibilities of each individual providing services under the contract: _____

Please attach resume of each person intending to provide service to the Municipal Pension.

2. Disclosure of all Contributions:

A Contribution of \$ _____ was made to _____

_____ on _____ for _____

_____ by _____ (attach additional sheet if necessary).

3. Compliance with conflict of interest one-year restriction requirements:

i. Has there been participation by a former employee of the potential contractor in the review of a proposal or negotiation of a Professional Service Contract with the Contractor? _____ Yes _____ No

ii. Has there been participation by a former employee of the Municipal Pension in the submission of a proposal or the performance of a Professional Service Contract? _____ Yes _____ No

B. FOR PERSONS OR ENTITIES WHO HAVE ENTERED INTO A PROFESSIONAL SERVICE CONTRACT

- i. Must annually disclose all Contributions:

A Contribution of _____ was made to _____

_____ on _____ for _____

_____ by _____. (use additional forms if necessary)

ASSIGNMENT OF KEY STAFF

The key member(s) of the contract identified must be assigned to the contract and must remain assigned to the contract for its duration, unless the City agrees in writing to modify the assignment. If a key member leaves during the course of the contract, the City must be notified immediately, and the contractor must submit the replacements name and credentials for approval by the City prior to that person starting work on the contract.

METHODOLOGY

Describe method of collection of delinquent fees with the ability to file legal action in detail and include samples of all correspondence sent to debtors. Samples of information and remittance reports sent to clients should also be submitted with this proposal.

CITY INFORMATION

An executed Non-Collusion Affidavit and Non Discrimination Statement, as attached must be submitted with the proposal. Successful proposer will be required to submit an Indemnity Agreement, Stipulation Against Liens and a certificate of insurance as described.

EVALUATION OF PROPOSALS

The award may or may not be made to the firm submitting the lowest proposal. Award shall be made to the responsible offeror whose proposal is determined to be the most advantageous to the City, taking into consideration the evaluation factors set below. Only submissions that are complete and returned within the time limit will be considered.

The selection will be made by the City based on the following criteria:

- A. Firm's qualifications, personnel and organization strengths and achievements.
- B. Experience with similar work, supply references.
- C. Interview with key personnel (optional).
- D. Time schedule and costs.

SELECTION COMMITTEE AND PROCEDURE FOR REVIEW OF PROPOSALS

A Selection Committee consisting of at least three (3) members will be established to review and evaluate all proposals submitted in response to this Request for Proposals (RFP). The Committee shall conduct a preliminary evaluation of all proposals on the basis of the information provided. The Committee will first review each proposal for compliance with the minimum qualifications and mandatory requirements of the RFP. Failure to comply with any mandatory requirements may disqualify a proposal.

The City may arrange for a meeting with the submitting parties or entities to clarify any aspect of the proposals and to give each the opportunity to further establish their credentials. The selection committee has the responsibility to negotiate the most favorable cost, terms and conditions to the City of Reading. The negotiating process may involve one or more RFP responses, and may continue until the actual award of the contract.

The City reserves the right to reject any and all proposals and to waive minor irregularities. The City further reserves the right to seek new proposals when such a procedure is reasonably in the best interest of the City to do so.

QUESTIONS REGARDING SPECIFICATIONS OR PROPOSAL PROCESS

To ensure fair consideration for all firms, the City prohibits communication to or with any department director, division manager, or employee during the submission process with the exception of those questions relative to interpretation of specifications or the proposal process. Such communications initiated by a firm may be grounds for disqualifying the offending firm from consideration for award of the proposal and/or any future proposal.

No interpretations of the meaning of the RFP documents will be made to any bidder orally. Every request for such interpretation shall be in writing to the City of Reading Purchasing

Office, and to be given consideration must be received in writing prior to 10:30 A.M on Thursday, March 3, 2011. Direct inquiries to:

Tammi Reinhart
Purchasing Coordinator
City Hall, Rm. 2-45
815 Washington Street
Reading, PA 19601
FAX - (610) 655-6427
tammi.reinhart@readingpa.org

Any and all such interpretation will be in the form of an Addendum to the Contract Documents and will be faxed or emailed to all prospective firms at the number furnished by them by Monday, March 14, 2011.

Additionally, the City prohibits communications initiated by a proposer to the City Official or employee evaluating or considering the proposals prior to the time an award decision has been made. Any communication between proposer and the City will be initiated by the appropriate City Official or employee in order to obtain information or clarification needed to develop a proper, accurate evaluation of the proposal. Such communications initiated by a proposer may be grounds for disqualifying the offending proposer from consideration for award of the proposal and/or any future proposal.

NON-COLLUSION AFFIDAVIT

INSTRUCTIONS FOR NON-COLLUSION AFFIDAVIT

1. This Non-Collusion Affidavit is material to any contract pursuant to this bid. According to the Pennsylvania Antibid-Rigging Act, 73 P.S. 1611 et seq., governmental agencies may require Non-Collusion Affidavits to be submitted together with bids.
2. This Non-Collusion Affidavit must be executed by the member officer, or employee of the bidder who is authorized to legally bind the bidder.
3. Bid rigging and other efforts to restrain competition, and the making of false sworn statements in connection with the submission of bids are unlawful and may be subject to criminal prosecution. The person who signs the Affidavit should examine it carefully before signing and assure himself or herself that each statement is true and accurate, making diligent inquiry, as necessary, of all other persons employed by or associated with the bidder with responsibilities for the preparation, approval or submission of the bid.
4. In the case of a bid submitted by a joint venture, each party to the venture must be identified in the bid documents, and an Affidavit must be submitted separately on behalf of each party.
5. The term “complementary bid” as used in the Affidavit has the meaning commonly associated with that term in the bidding process, and includes the knowing submission of bids higher than the bid of another firm, any intentionally high or noncompetitive bid, and any form of bid submitted for the purpose of giving a false appearance of competition.
6. Failure to file an Affidavit in compliance with these instructions will result in disqualification of the bid.

NON-COLLUSION AFFIDAVIT OF PRIME BIDDER

State of _____

County of _____

_____, being first duly sworn, deposes and says that:

(1) He/She is _____
(Owner, Partner, Officer, Representative or Agent)

of _____, the Bidder that has submitted the attached Bid or Bids;

(2) He/She is fully informed respecting the preparation and contents of the attached Bid and of all pertinent circumstances respecting such Bid;

(3) Such Bid is genuine and is not a collusive or sham Bid;

(4) Neither the said Bidder nor any of its officers; partners, owners, agents, representatives, employees or parties in interest, including this affiant, has in any way colluded, conspired, connived or agreed, directly or indirectly, with any other Bidder, firm or person to submit a collusive or sham Bid in connection with the Contract for which the attached Bid has been submitted or to refrain from bidding in connection with such Contract, or has in any manner, directly or indirectly, sought by agreement or collusion or communication of conference with any other Bidder, firm or person to fix the price or prices in the attached Bid or of any other Bidder, or to fix any overheld profit or cost element of the Bid price or the Bid price of any other Bidder, or to secure through any collusion, conspiracy, connivance or unlawful agreement any advantage against the City of Reading or any person interested in the proposed Contract;

(5) The price or prices quoted in the attached Bid are fair and proper and are not tainted by any collusion, conspiracy, connivance or unlawful agreement on the part of the Bidder or any of its agents, representatives, owners, employees, or parties in interest, including this affiant; and,

(6) Neither the said Bidder nor any of its officers, partners, owners, agents or parties in interest, have any interest, present or prospective, that can be reasonably construed to result in a conflict of interest between them and the City of Reading, which the Bidder will be required to perform.

I state that _____ understands
(Name of Firm)

and acknowledges that the above representations are material and important, and will be relied on by the City of Reading in awarding the Contract(s) for which this Bid is submitted. I understand and my firm understands that any misstatement in this Affidavit is and shall be treated as fraudulent concealment from the City of Reading of the true facts relating to the submission of bids for this Contract.

(Name and Company Position)

SWORN TO AND SUBSCRIBED
BEFORE ME THIS _____ DAY
OF _____, 20__

Notary Public

My Commission Expires:

**PROVIDER'S CERTIFICATION OF NON-INDEBTEDNESS
TO THE CITY OF READING**

Provider hereby certifies and represents that Provider and Provider's parent company(ies) and subsidiary(ies) are not currently indebted to the City of Reading (the "City"), and will not at any time during the term of this Contract (including any extensions or renewals thereof) be indebted to the City, for or on account of any delinquent taxes, liens, judgments, fees or other debts for which no written agreement or payment plan satisfactory to the City has been established. In addition to any other rights or remedies available to the City at law or in equity, Provider acknowledges that any breach or failure to conform to this certification may, at the option of the City, result in the withholding of payments otherwise due to Provider and, if such breach or failure is not resolved to the City's satisfaction within a reasonable time frame specified by the City in writing, may result in the offset of any such indebtedness against said payments and/or the termination of this Contract for default (in which case Provider shall be liable for all excess costs and other damages resulting from the termination).

Name of Provider

By: _____

Authorized Signatory

Title: _____

President or Vice President

Attest: _____

NON DISCRIMINATION STATEMENT

The undersigned hereby certifies that it shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, handicap, familial status, or national origin. The undersigned shall take affirmative action to insure that applicants for employment are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, handicap, familial status, or national origin.

BIDDER

TITLE

INDEMNITY AGREEMENT & HOLD HARMLESS

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned has entered into a contract with the CITY OF READING, dated _____, 20 __, providing for the _____ City of Reading, Pennsylvania.

NOW, THEREFORE, in consideration of the award of said contract to the undersigned, _____, as well as in further consideration of the sum of ONE DOLLAR (\$1.00) in hand paid to the said _____ by the City of Reading, receipt whereof is hereby acknowledged, the said _____ agrees to indemnify and save harmless the CITY OF READING, its officers, agents, servants, and employees against any and all loss, damage, costs and expenses which the said CITY may hereafter suffer, incur, be put to or pay by reason of any bodily injury (including death) or damage to property arising out of any act or omission in performance of the work undertaken under the aforesaid contract.

EXECUTED this _____ day of _____, 20__.

By: _____

Title: _____

ATTEST:

(Title)

STIPULATION AGAINST LIENS

WHEREAS, _____, hereinafter called the
CONTRACTOR, has entered into a CONTRACT, dated _____, 20____, with
_____ hereinafter called the
CITY, to provide materials and perform labor necessary for the manufacture and furnishing of the:

as set forth in the CONTRACT DOCUMENTS as prepared by the City of Reading.

NOW, THEREFORE, it is hereby stipulated and agreed by and between the said parties, as
part of the said CONTRACT, and for the consideration therein set forth, that neither the
undersigned CONTRACTOR, any SUBCONTRACTOR or material man, nor any other person
furnishing labor or materials to the said CONTRACTOR under this CONTRACT shall file a lien,
commonly called a mechanic's lien, for WORK done or materials furnished for the above
manufacture.

This stipulation is made and shall be filed with the Berks County Prothonotary within ten
(10) days after execution, in accordance with the requirements of Section 1402 of the Mechanics
Lien Law of 1963 of the Commonwealth of Pennsylvania in such case provided.

IN WITNESS WHEREOF, the parties hereto have caused the signature of their proper
officers to be affixed thereto on this _____day _____of 20____ .

(SEAL)

(CITY OF READING)

ATTEST: `

TITLE: _____

BY: _____

BY: _____

TITLE: _____

TITLE: _____

(SEAL)

(CONTRACTOR)

ATTEST:

BY: _____

TITLE: _____

BY: _____

BY: _____

TITLE: _____

TITLE: _____

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Deposits	Withdrawal	Withdrawal	Withdrawal	Withdrawal	Withdrawal	Withdrawal	Withdrawal	Withdrawal		
Employee	Fees	Fees	Fees	Fees	Various				Ending	
Cont. &	Analysis	Mark'z &	McGlinn	Comerica	Invest.	Miscellaneous	Tax		Balance	
Trnsf		Richman			Fees		Withholding			
38,059.46	259.55	6,351.40	11,003.00	0.00	0.00	0.00	27,484.89	3,849,086.88		
39,806.07	245.89	0.00	0.00	0.00	0.00	100.24	24,096.26	3,864,450.56	Misc: Puchase of W-2 forms	
34,144.69	298.92	2,404.64	0.00	2,663.72	0.00	0.00	23,274.33	3,869,953.64		
34,872.39	253.35	1,122.50	0.00	0.00	21,985.97	0.00	23,638.86	3,857,825.35		
39,478.33	0.00	0.00	0.00	2,652.14	14,628.06	164.33	32,540.44	1,921,275.33	Misc: Refund 164.33	
37,902.68	0.00	1,172.75	0.00	0.00	7,500.00	301.49	16,728.68	1,933,475.09		
37,008.27	0.00	1,521.75	13,476.00	2,710.72	8,630.79	8,300.00	0.00	1,935,844.10	Misc: Conrad Siegel Actuary	
39,742.35	0.00	876.25	0.00	0.00	0.00	421.07	17,498.03	1,956,791.10	Misc: Staples 28.07; Nationwide Life 3	
36,169.92	0.00	13,191.00	0.00	0.00	0.00	0.00	19,021.14	1,960,748.88		
38,142.06	166.25	4,880.36	0.00	2,704.51	26,754.19	7,527.88	18,074.18	1,938,783.57	Misc; Pension Admin salaary 6946.88	
38,988.14	179.76	0.00	0.00	0.00	0.00	10,825.08	17,565.10	1,949,201.77	Misc Debit	
35,246.91	168.17	0.00	0.00	0.00	0.00	0.00	35,614.84	1,948,665.67		
									Misc:EHD 8690.33; Fiduciary Policy 1	
36,204.56	166.99	4,611.12	0.00	0.00	0.00	10,759.33	17,735.15	1,951,597.64	575.00	
1,282,731.11	174.41	0.00	0.00	0.00	0.00	82.83	17,735.15	3,216,336.36	Misc: Reading Eagle Ad 82.83	
33,671.30	165.84	7,132.38	23,564.00	5,329.11	33,253.79	0.00	19,291.41	3,161,271.13		
724,581.95	252.16	0.00	0.00	0.00	9,961.80	578.00	18,934.86	3,856,126.26	Misc:Nationwide Life 578	

ount

Deposits	Withdrawal	Withdrawal						Ending
Pay	Direct	Checks						Balance

303,625.94	138,673.89	25,661.40	0.00	0.00	0.00	0.00	235,662.28
270,966.01	159,796.69	81,561.35	0.00	0.00	0.00	0.00	265,270.25
262,178.68	159,680.79	34,058.25	0.00	0.00	0.00	0.00	333,709.89
265,142.31	262,898.50	40,912.53	0.00	0.00	0.00	0.00	295,041.17

242,922.57	118,652.23	123,157.64	0.00	0.00	0.00	0.00	39,867.30
234,983.61	118,652.23	0.00	0.00	0.00	0.00	0.00	156,198.68
236,915.71	119,014.18	200,973.92	0.00	0.00	0.00	0.00	73,126.29
241,486.99	123,042.04	107,265.32	0.00	0.00	0.00	0.00	84,305.92
241,231.30	126,614.42	118,442.30	0.00	0.00	0.00	0.00	80,480.50
238,477.77	131,463.66	158,686.60	0.00	0.00	0.00	0.00	28,808.01
253,305.49	131,563.66	110,916.75	0.00	0.00	0.00	0.00	39,633.09
257,416.82	131,563.66	125,853.16	0.00	0.00	0.00	0.00	39,633.09
260,497.46	131,563.66	125,208.03	0.00	0.00	0.00	0.00	43,358.86
249,915.59	0.00	29,352.75	0.00	0.00	0.00	0.00	263,921.70
255,067.34	137,004.94	254,438.16	0.00	0.00	0.00	0.00	127,545.94
221,196.66	137,004.94	115,366.03	0.00	0.00	0.00	0.00	96,371.63

Police Pension Checking Account Analysis

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		Deposits	Withdrawal Fees	Withdrawal	Withdrawal	Withdrawal Fees	Withdrawal	Withdrawal	Withdrawal	Withdrawal	
2011	Pension Fund Account										
		Employee Cont. & Trnsf	Analysis	Pay &	Rizzuto	Invesco		Refund	Miscellaneous	Tax	End
	Beginning Balance			Drop	Law					Withholding	Bala
Jan	7,796,045.64	96,628.49	392.69	633,675.71	0.00	0.00	0.00	14,295.14	0.00	59,785.78	7,1
Feb	7,184,524.81	110,773.64	483.99	669,567.44	3,327.50	7,203.93	0.00	5,547.13	100.25	64,593.57	6,5
Mar	6,544,474.64	156,809.05	506.74	648,363.77	1,041.25	0.00	0.00	4,275.00	0.00	61,615.58	5,9
Apr	5,985,481.35	57,400.92	399.98	639,249.04	0.00	0.00	0.00	11,815.87	0.00	63,333.57	5,3
2010											
Jan	3,067,874.97	156,329.02	0.00	0.00	0.00	8,162.60	0.00	18,010.95	0.00	96,533.36	3,1
Feb	3,101,497.08	79,984.54	0.00	0.00	1,125.00	0.00	0.00	5,182.77	0.00	53,379.76	3,1
Mar	3,121,794.09	154,885.94	0.00	64,000.00	488.75	7,424.12	0.00	864.51	0.00	0.00	3,2
Apr	3,203,902.65	93,207.22	0.00	0.00	603.75	0.00	0.00	97.50	28.07	72,335.72	3,2
May	3,224,044.83	440,018.23	0.00	11,774.48	708.75	0.00	0.00	0.00	101,350.00	52,239.56	3,4
Jun	3,497,990.27	125,631.17	258.62	0.00	2,172.50	7,378.96	0.00	41,313.71	14,159.38	55,895.72	3,5
Jul	3,502,442.55	288,263.86	259.48	0.00	0.00	0.00	0.00	0.00	0.00	57,073.66	3,7
Aug	3,733,373.27	181,095.15	256.40	19,676.27	0.00	0.00	0.00	0.00	3,303.00	112,657.72	3,7
Sep	3,778,575.03	257,075.03	283.52	0.00	0.00	0.00	0.00	0.00	10,078.34	0.00	4,0
Oct	4,025,288.20	1,405,038.49	276.14	0.00	1,477.50	0.00	0.00	0.00	82.84	120,364.26	5,3
Nov	5,308,125.95	168,798.92	298.18	48,071.04	1,135.00	0.00	0.00	0.00	0.00	59,227.87	5,3
Dec	5,368,192.78	2,514,513.91	370.95		3,626.25	14,918.69	0.00	9,734.41	0.00	58,010.75	7,7
2011											
Pension Payment Account											
	Beginning Balance	Payment Deposits	Withdrawal Direct	Withdrawal Checks	Ending Balance						

Jan	291,515.96	633,675.71	395,509.23	224,707.38	0.00	0.00	0.00	0.00	304,975.06
Feb	304,975.06	669,567.44	395,447.23	222,813.77	0.00	0.00	0.00	0.00	356,281.50
Mar	356,281.50	648,363.77	405,742.70	283,162.14	0.00	0.00	0.00	0.00	315,740.43
Apr	315,740.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	315,740.43

2010										
Jan	291,515.96	465,337.24	313,723.07	192,021.90	0.00	0.00	0.00	0.00	251,108.23	
Feb	251,108.23	620,150.63	325,141.09	150,439.93					395,677.84	395,677.84
Mar	395,677.84	542,911.48	340,201.29	297,510.77					300,877.26	300,877.26
Apr	300,877.26	542,809.09	349,893.92	304,575.98					189,216.45	189,216.45
May	189,216.45	717,307.09	353,170.56	268,109.68					285,243.30	285,243.30
Jun	285,243.30	601,810.11	365,186.41	219,107.39					302,759.61	302,759.61
Jul	302,759.61	628,192.61	363,194.78	202,207.31					365,550.13	365,550.13
Aug	365,550.13	614,875.94	379,403.23	270,733.00					330,289.84	330,289.84
Sep	330,289.84	633,553.46	378,501.04	232,789.50					352,552.76	352,552.76
Oct	352,552.76	630,068.05	0.00	258,587.81					724,033.00	724,033.00
Nov	724,033.00	646,036.17	387,431.29	633,271.93					349,365.95	349,365.95
Dec	349,365.95	612,169.38	391,074.65	278,944.72					291,515.96	291,515.96

Officers & Employees Checking Account Analysis

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2011	Pension Fund Account	Deposits	Withdrawal Fees	Withdrawal Pay	Withdrawal Linton	Withdrawal Fees	Withdrawal Fees	Withdrawal	Withdrawal	Withdrawal
		Employee Cont. & Trnsf	Analysis		Distasio	Comerica	Russell	Refund	Miscellaneous	Tax
	Beginning Balance				Edwards					Withholding
Jan	2,057,768.49	39,501.96	0.00	0.00	2,224.50	0.00	0.00	17,475.80	0.00	42,147.58
Feb	2,035,422.57	39,808.81	0.00	0.00	0.00	0.00	0.00	0.00	100.24	18,898.31
Mar	2,056,232.83	57,028.34	0.00	0.00	495.00	1,500.00	0.00	1,060.05	0.00	30,142.16
Apr	2,080,063.96	39,470.09	0.00	0.00	0.00	0.00	0.00	390.81	0.00	31,263.87
2010										
Jan	729,535.11	45,421.36	0.00	0.00	1,846.00	0.00	0.00	345.97	0.00	27,673.32
Feb	745,091.18	41,954.25	0.00	0.00	1,045.00	0.00	0.00	31,355.93	0.00	30,623.04
Mar	724,021.46	43,925.28	0.00	59,514.24	446.00	1,500.00	70,608.00	4,517.50	500.00	28,351.75
Apr	602,509.25	70,085.62	0.00	0.00	491.00	0.00	0.00	7,107.37	28.07	13,998.89
May	650,969.54	41,939.33	0.00	0.00	888.00	1,500.00	0.00	0.00	0.00	27,910.40
Jun	662,610.47	54,892.17	0.00	0.00	1,972.50	0.00	72,112.00	18,690.30	29,118.74	47,784.12
Jul	547,824.98	50,157.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14,147.75
Aug	583,834.90	51,966.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00	42,444.47
Sep	593,357.40	41,482.12	0.00	0.00	1,264.00	0.00	0.00	2,982.95	11,354.33	28,439.82
Oct	590,798.42	517,699.41	0.00	0.00	0.00	0.00	0.00	3,245.79	82.83	28,156.79
Nov	1,077,012.42	40,080.38	0.00	0.00	231.00	1,500.00	72,356.00	5,010.29	2,096.72	28,334.37
Dec	1,007,564.42	1,087,892.43	0.00	0.00	0.00	1,500.00	0.00	7,931.38		28,256.98
2011										
	Pension Payment Account				Withdrawal Fees					
	Beginning Balance	Payment	Withdrawal	Withdrawal	Analysis				Ending Balance	
Jan	534,422.14	Deposits	Direct	Checks						
		350,000.00	245,512.63	63,851.70	483.35	0.00	0.00	0.00	574,574.46	

Feb	574,574.46	350,000.00	252,561.42	70,005.59	-1.16	0.00	0.00	0.00	602,008.61
Mar	602,008.61	350,000.00	250,883.03	69,756.14	497.32	0.00	0.00	0.00	630,872.12
Apr	630,872.12	350,000.00	253,111.31	65,303.07	0.00	0.00	0.00	0.00	662,457.74

2010

Jan	377,360.29	385,997.64	229,146.49	66,437.21	490.26	0.00	0.00	0.00	467,283.97
Feb	467,283.97	350,664.91	116,911.34	218,871.21	469.80	0.00	0.00	0.00	481,696.53
Mar	481,696.53	350,000.00	232,860.58	68,898.40	465.61	0.00	0.00	0.00	529,471.94
Apr	529,471.94	375,877.29	234,563.48	8,254.04	422.82	0.00	0.00	0.00	662,108.89
May	662,108.89	350,000.00	236,791.69	142,084.29	398.59	0.00	0.00	0.00	632,834.32
Jun	632,834.32	350,000.00	240,765.85	74,978.80	413.20	0.00	0.00	0.00	666,676.47
Jul	666,676.47	350,256.08	246,577.19	67,245.75	429.26	0.00	0.00	0.00	702,680.35
Aug	702,680.35	350,744.62	245,942.27	69,378.37	428.68	0.00	0.00	0.00	737,675.65
Sep	737,675.65	0.00	247,296.48	66,230.88	434.65	0.00	0.00	0.00	423,713.64
Oct	423,713.64	350,689.43	122,096.40	65,617.42	418.63	0.00	0.00	0.00	586,270.62
Nov	586,270.62	880,091.44	897,446.00	67,508.33	424.40	0.00	0.00	0.00	500,983.33
Dec	500,983.33	350,564.69	247,385.80	69,277.16	462.92	0.00	0.00	0.00	534,422.14

As part of Act 47 Recovery Plan, PFM has recommended that:

PN04. Comply with the Internal Revenue Code

The ordinances creating the three retirement plans for the City of Reading do not meet the requirements of the federal Internal Revenue Code that are applicable to governmental pension plans. It does not appear that the City has sought a determination from the IRS that any of the plans are qualified under the applicable provisions of the Code. This process involves bringing the current plans into compliance from a federal tax qualification perspective, which will minimize the potential for significant penalties during the determination letter process and preserve the plans' tax-exempt status.

With respect to federal income tax compliance, use of the Internal Revenue Service's Employee Plan Compliance Resolution System for Governmental Plans should be considered and the plans shall promptly seek an IRS determination letter in time to meet the January 31, 2011 IRS deadline.

At least one of the City Pension Boards asked for more details on the recommendation:

As part of Act 47, Stevens and Lee has reviewed the police, fire, and both versions of the officers and employees pension plan ordinances that were provided during the preparation of the Act 47 Recovery Plan. What follows is an overview of where the four plans are out of compliance with the requirements of the Internal Revenue Code of 1986, as amended and the guidance issued thereunder (the "Code"). Keep in mind that although governmental plans are exempt from many of the provisions of the Code, there are certain provisions that are applicable.

- None of the ordinances incorporate the benefit limitation provisions of Code Section 415, including provisions for the final 415 regulations issued in 2007;
- None of the ordinances incorporate the required minimum distribution provisions of Code Section 401(a)(9), including the final 401(a)(9) regulations issued in 2002 and 2004;
- None of the ordinances incorporate the compensation limits of Code Section 401(a)(17);
- None of the ordinances incorporate the automatic rollover provisions of Notice 2005-5 for mandatory distributions;
- None of the ordinances incorporate the direct rollover requirements of Code Section 401(a)(31)(A);

- None of the ordinances appear to incorporate the requirements of the Uniformed Services Employment and Reemployment Rights Act of 1994 or the Heroes Earnings Assistance and Relief Tax Act of 2008;
- The Police ordinance doesn't appear to grant interest on DROP accounts but the Firefighters ordinance does appear to grant interest based upon actual returns, which could convert the DROP accounts in the Firefighters plan to a defined contribution plan for IRS tax-qualification purposes – there are additional tax-qualification requirements for defined contribution plans not discussed above.

Please note that the foregoing list is based upon a review of the pension plan ordinances. Based upon the extent of the issues, a more thorough review of the ordinances and an audit of plan operation be undertaken. New ordinances should be adopted that bring the plans into compliance with the IRS qualification requirements. During this process, additional deficiencies not identified above may come to light.

Governmental retirement plans are currently an active area of IRS enforcement. There was a publicly announced window, which closed on January 31, 2011, to self-identify issues to the IRS and pay a reduced sanction. That window has now closed, but it is still possible to submit a Voluntary Compliance Program ("VCP") filing with the IRS to bring deficient plans into compliance. The benefit of this is that it avoids significantly larger sanctions in the event the IRS discovers there issues on its own.

Stevens and Lee highly recommends that the City of Reading avail itself of VCP. In conjunction with the VCP submission, the plans will be required to also request a formal determination from the IRS that the plans meet the Code's requirements for governmental plans. It is further recommended that the City select one firm to perform this work for all three City pension plans, to achieve economies of scale. Furthermore, each plan should share equally in the cost.

(This email summarizes the issues. Further details and sources are provided below.)

John

From: John B. Nagel
Sent: Thursday, June 09, 2011 1:07 PM
To: Linda A. Kelleher
Cc: Francis Acosta; Carl E. Geffken
Subject: FW: Internal Revenue Code

Linda

Here is the Executive Summary for this Finance Committee agenda item. As each of the three respective Pension Boards have the authority to issue this RFP and select a firm to perform the work, this agenda item is solely for informational purposes to the Finance Committee. Once the Pension Boards agree on the RFP, then invited firms will have 30 days to submit a proposal. Once the proposal is awarded, this compliance work will take several months to complete, depending upon the scope of the revisions.

John

We are inviting firms to respond to an RFP for Internal Revenue Code Compliance Services. The invitation to the RFP should be sent to the following firms:

- Blank Rome
- Stevens & Lee
- Morgan Lewis Bockius
- Markowitz & Richmond
- The Hay Group

The proposals should be priced two ways. First, each of the three pension plans should be individually priced. Second, one price should be given for all three plans. Here is the background:

The ordinances creating the three retirement plans for the City of Reading do not meet the requirements of the federal Internal Revenue Code that are applicable to governmental pension plans. It does not appear that the City has sought a determination from the IRS that any of the plans are qualified under the applicable provisions of the Code. This process involves bringing the current plans into compliance from a federal tax qualification perspective, which will minimize the potential for significant penalties during the determination letter process and preserve the plans' tax-exempt status.

With respect to federal income tax compliance, use of the Internal Revenue Service's Employee Plan Compliance Resolution System for Governmental Plans should be considered and the plans shall promptly seek an IRS determination letter by December 31, 2011.

This engagement should include a review of the police, fire, and both versions of the officers and employees pension plan ordinances. Here is an overview of where the four plans are out of compliance with the requirements of the Internal Revenue Code of 1986, as amended and the guidance issued there under (the "Code"). Keep in mind that although governmental

plans are exempt from many of the provisions of the Code, there are certain provisions that are applicable.

- None of the ordinances incorporate the benefit limitation provisions of Code Section 415, including provisions for the final 415 regulations issued in 2007;
- None of the ordinances incorporate the required minimum distribution provisions of Code Section 401(a)(9), including the final 401(a)(9) regulations issued in 2002 and 2004;
- None of the ordinances incorporate the compensation limits of Code Section 401(a)(17);
- None of the ordinances incorporate the automatic rollover provisions of Notice 2005-5 for mandatory distributions;
- None of the ordinances incorporate the direct rollover requirements of Code Section 401(a)(31)(A);
- None of the ordinances appear to incorporate the requirements of the Uniformed Services Employment and Reemployment Rights Act of 1994 or the Heroes Earnings Assistance and Relief Tax Act of 2008;
- The Police ordinance doesn't appear to grant interest on DROP accounts but the Firefighters ordinance does appear to grant interest based upon actual returns, which could convert the DROP accounts in the Firefighters plan to a defined contribution plan for IRS tax-qualification purposes – there are additional tax-qualification requirements for defined contribution plans not discussed above.

Please note that the foregoing list is based upon a review of the pension plan ordinances. Based upon the extent of the issues, a more thorough review of the ordinances and an audit of plan operation be undertaken. New ordinances should be adopted that bring the plans into compliance with the IRS qualification requirements. During this process, additional deficiencies not identified above may come to light.

As you know, governmental retirement plans are currently an active area of IRS enforcement. There was a publicly announced window, which closed on January 31, 2011, to self-identify issues to the IRS and pay a reduced sanction. That window has now closed, but it is still possible to submit a Voluntary Compliance Program ("VCP") filing with the IRS to bring deficient plans into compliance. The benefit of this is that it avoids significantly larger sanctions in the event the IRS discovers there issues on its own. The firm selected will assist the City of Reading with the VCP. In conjunction with the VCP submission, the plans will be required to also request a formal determination from the IRS that the plans meet the Code's requirements for governmental plans.

John

POST PROJECT COMPLETION AUDIT

PREPARED BY THE OFFICE OF THE CITY AUDITOR

2/16/2010

THE FOLLOWING ITEMS ARE THE SUBJECT OF THIS POST PROJECT COMPLETION AUDIT PER **ARTICLE IX, SECTION 911 (d) (4) CAPITAL PROGRAM** FROM THE HOME RULE CHARTER OF THE CITY OF READING:

- 2006 FIRE TRUCK
- 2006 STADIUM UPGRADE
- 2007 POOL RENOVATIONS

QUOTING FROM THE ABOVEMENTIONED SECTION - **POST PROJECT COMPLETION AUDIT:**
“FOLLOWING COMPLETION OF THE CAPITAL PROJECT A COMPLETE AND DETAILED AUDIT MUST BE PUBLISHED AND MADE AVAILABLE TO THE PUBLIC. THIS POST AUDIT IS TO BE COMPLETED BY AN INDEPENDENT AUDITOR APPOINTED BY COUNCIL. THE PURPOSE OF THE POST AUDIT IS TO CONFIRM THE ESTIMATES OF COSTS AND EXPLAIN ANY DEVIATION BETWEEN ACTUAL AND ESTIMATED COSTS.”

- **2006 FIRE TRUCK**

Year	Name of the Project	Projected Cost	Total Cost	Variance
2006	Fire Replace Rescue 1	\$450,000.00	\$462,441.00	(\$12,441.00)

Trans Date	Vendor Name	Amount Paid	Check #
10/12/2007	KME FIRE APPARATUS	<u>\$462,441.00</u>	218343

ON 10/12/2007, THE CITY PURCHASED A RESCUE FIRE TRUCK FROM KME FIRE APPARATUS. THE ESTIMATED COST OF THE TRUCK WAS \$450,000 AND THE ACTUAL COST WAS \$462,441, LEAVING A NEGATIVE VARIANCE OF \$12,441. THIS VEHICLE WAS ACQUIRED USING CAPITAL PROJECT BOND FUND #34. THE SPECIFIC ACCOUNT CODES WERE #34-09-32-4803 (VEHICLES) AND #34-09-34-101(RESCUE TRUCK).

- **2006 STADIUM UPGRADE**

Year	Name of the Project	Projected Cost	Total Cost	Balance
2006	Stadium High Mast Replacement	\$152,000.00	\$267,243.00	(\$115,243.00)

Trans Date	Vendor Name	Amount Paid	Check #
6/22/2006	THE BURNS GROUP ENG. & CONSTRUCTION	\$8,860.00	204238
8/16/2006	BURKEY CONSTRUCTION CO	\$38,340.00	206044
9/19/2006	BURKEY CONSTRUCTION CO	\$113,790.00	206994
12/08/2006	BURKEY CONSTRUCTION CO	\$104,753.00	208978
12/15/2006	THE BURNS GROUP ENG. & CONSTRUCTION	<u>\$1,500.00</u>	209155
TOTAL		\$267,243.00	

IN 2006, THE CITY HAD A STADIUM PROJECT WITH REPAIRS/REPLACEMENT TO THE CENTERFIELD LIGHT MAST AT FIRST ENERGY STADIUM. THE ORIGINAL PROJECTED COSTS, INCLUDING ENGINEERING, WERE \$152,000. THERE WERE FOUR (4) CHANGE ORDERS, TOTALLING AN ADDITIONAL \$124,063. EACH OF THE CHANGE ORDERS IS LISTED BELOW WITH ACCOMPANYING EXPLANATIONS.

Change Order #	Explanation	Amount
1	Additional rock excavation	\$28,985
2	Additional drilling equipment	\$24,013
3	Caisson extension	\$57,203
4	Wind cross bracing pole	<u>\$13,862</u>
Total		\$124,063

THE TOTAL COST OF THIS PROJECT WAS \$267,243, LEAVING A NEGATIVE VARIANCE OF \$115,243. THIS PROJECT WAS COMPLETED USING BOTH #26 BOND FUND –ACCOUNT CODE #26-07-74-4801 (BUILDING & BUILDING IMPROVEMENTS) AND #26-07-74-101 (STADIUM HIGH MAST REPLACEMENT) AND #34 CAPITAL PROJECTS BOND FUND – ACCOUNT CODE #34-07-74-4801 (BUILDING & BUILDING IMPROVEMENTS) AND #34-07-74-101 (STADIUM HIGH MAST REPLACEMENT).

- **2007 POOL RENOVATIONS**

Year	Name of the Project	Projected Cost	Total Cost	Balance
2007	Schelegel Park Pool Replaster/Tile	\$150,000.00	\$202,100.00	(\$52,100.00)

Trans Date	Vendor Name	Amount Paid	Check #
5/21/2007	WADE ASSOCIATES INC.	\$5,100.00	213669
6/11/2007	TALUCCI CONTRACTORS INC	\$117,000.00	214499
6/19/2007	TALUCCI CONTRACTORS INC	<u>\$80,000.00</u>	214711
TOTAL		\$202,100.00	

DURING THE SPRING OF 2007, THE CITY RENOVATED SCHELEGEL PARK POOL. WADE ASSOCIATES WAS PAID \$5,100 FOR THEIR PROFESSIONAL ASSISTANCE /CONSTRUCTION DOCUMENT PHASE FOR THE RESURFACING OF THE POOL. TALUCCI CONTRACTORS, INC. DID THE RESURFACING OF THE POOL AT A COST OF \$197,000. THE ESTIMATED COSTS FOR THE POOL PROJECT WERE \$150,000 AND THE ACTUAL COST WAS \$202,100, LEAVING A NEGATIVE VARIANCE OF \$52,100. THE POOL PROJECT WAS COMPLETED USING CAPITAL PROJECT BOND FUND #34. THE SPECIFIC ACCOUNT CODES WERE #34-07-74-4801 (BUILDING & BUILDING IMPROVEMENTS) AND #34-07-74-110 (SCHLEGEL PARK POOL).

To: Carl E. Geffken, Managing Director
From: John B. Nagel, Director of Administrative Services

Date: June 15, 2011

Re: General Fund – Cash Flow Report – **May 31, 2011**

This report is due to the Managing Director, the Mayor and City Council each month. The Cash Flow Report is a work in progress. Specifically, as the staff becomes more familiar with the City's past accounting practices as well as the application of the 2011 budget, we will be revising these reports to include revenue and expense projections on a monthly basis for the remainder of 2011. The attached report is for the period January through December 2011. For the months of January through **May**, actual amounts are reported. For the remainder of 2011, **original estimated amounts** are reported. Monthly revenue trends follow the discount and full payment deadlines. Revenue and expense projections are also based on prior year trends. **Total year-to-date activity is the Actual Total column.** The narratives below highlight 2011 financial activity and compare 2010 and 2011 revenues and expenses.

Cash Balance - Beginning

Cash balance carried forward from prior month.

May 1, 2011	May 1, 2010
\$5,477,061	\$10,488,647

Revenues

Real Estate Taxes – The approved 2011 General Fund millage rate is 14.334 mills. Beginning in January 2011, the billing and collection of property taxes was transferred to Berks County. Discount (2%) payments are due by April, face (full) payments are due by June and taxes paid after July 1 are subject to a 10% penalty. County and City taxes are combined in one bill. County policy does not currently allow installment payments. (County officials are investigating the possibility of allowing installment payments as early as 2012.) Projections reflect the peak periods for discount and face collections as well as 2010 collection trends. The budget anticipates that 90% of residents and businesses will pay their current year's taxes. Real estate assessment appeals are expected to have had a significant impact, due to the recessed real estate market. **After receiving transmittals of all of the discount period payments through the County of Berks, real estate tax revenues (77.1%) are slightly ahead of last year's pace (76.9%).**

2011 YTD Actual	2011 YTD Budget	2011 YTD Actual to Budget (%)	2010 YTD Actual	2010 YTD Budget	2010 YTD Actual to Budget (%)
\$14,624,616	\$18,966,209	77.1%	\$12,891,283	\$16,771,240	76.9%

Earned Income Taxes (EIT) – The City has multiple rates for the EIT. The current City share of the resident EIT is 2.1%. The current City rate for non residents is 1.3% (1% remits to employee's home municipality; 0.3%

benefits the City.) Beginning in January 2011, the City outsourced its EIT collection (employers and individuals) to Berks EIT Bureau. This Bureau transmits funds to the City on a monthly basis. ***The Bureau reported that June remittances would be significantly higher, due to the concurrent deadlines for federal and state individual returns (April 30 deadline for employers, processed by the Bureau in May and remitted to the City in June).*** There is approximately \$318,000 in the Earned Income Tax Fund on the City's books. As funds due to other municipalities for current and prior years will be paid by the Bureau, it is unlikely that these funds will be needed and will eventually be recommended for transfer into the General Fund. ***With the June 2011 transmittal of \$2,932,738, total collections are now \$5,459,450 or 46.3% of budget. Now that a significant amount of our 2011 EIT has been remitted, we have invited Rick Weisser from the Bureau to an upcoming Act 47 meeting to discuss future trends.***

Act 32 is attempting to require more frequent payments by taxpayers to the respective County Tax Collection Committee (TCC) collector. If taxpayers (e.g., Walmart) desire to electronically remit and file to one central tax collector in PA, then monthly filings and payments are required. Under this scenario, unless taxpayers choose Berks EIT Bureau as their PA collector, there will be a month delay for the filings and the payments to reach Berks EIT and then to the City. The Bureau has a conservative belief that not many businesses will name one PA collector nor would it be the Bureau. In the meantime, monthly collections will be received from other EIT collection agencies and from past due accounts. The Act 32 rules for the Local Services Tax collections are the same as for EIT collections. Overall, taxpayer filings and payments will continue to evolve throughout 2011 and 2012 and possibly into 2013.

2011 YTD Actual	2011 YTD Budget	2011 YTD Actual to Budget (%)	2010 YTD Actual	2010 YTD Budget	2010 YTD Actual to Budget (%)
\$2,526,713	\$11,797,117	21.4%	\$0	11,523,719	0.0%

Business Privilege Taxes (BPT) – The current City rates for the BPT are based on gross receipts. For each \$1,000, businesses pay either \$1.50 (retail), \$1 (wholesale) or \$2.25 (service, commission or rental). The BPT is shared with the School District. Discount (2%) payments are due by April 15 and full payments are due by June 15. Rates were frozen in 1988 by the Commonwealth and cannot be changed. The City continues to collect the BPT. ***During May (74.4%), we fell behind last year's pace (83.2%), after April's results showing us ahead of last year's pace. Staff is currently focusing on follow up for audits and prior years collections (\$36,991 actual of \$285,000 budgeted).***

2011 YTD Actual	2011 YTD Budget	2011 YTD Actual to Budget (%)	2010 YTD Actual	2010 YTD Budget	2010 YTD Actual to Budget (%)
\$1,215,579	\$1,635,000	74.4%	\$1,224,745	\$1,472,833	83.2%

Real Estate Transfer Taxes – The City share of the transfer tax is 3.5%. Historically, transfers peak over the summer months due to residential resales. Commercial property transfers are more volatile, dependent on corporate and speculative transfers. Ultimately, staff will attempt to build a model that will identify a base

amount of annual transfers. ***With an increased 2011 budget, we are significantly behind last year's pace. As we approach the peak transfer season, we will be closely monitoring this activity and be possibly recommending an adjustment in the 2011 budget.***

2011 YTD Actual	2011 YTD Budget	2011 YTD Actual to Budget (%)	2010 YTD Actual	2010 YTD Budget	2010 YTD Actual to Budget (%)
\$806,439	\$2,750,000	29.3%	\$1,116,868	\$2,500,000	44.7%

Local Services Taxes (LST) – The LST is assessed on each person with an occupation in the City. The City share of the LST is \$47. The School District share is \$5. Beginning in January 2011, the Bureau is collecting and remitting this tax. ***Due to our transition to Berks EIT Bureau, we are slightly behind last year's pace.***

2011 YTD Actual	2011 YTD Budget	2011 YTD Actual to Budget (%)	2010 YTD Actual	2010 YTD Budget	2010 YTD Actual to Budget (%)
\$563,752	\$1,121,445	50.3%	\$500,436	\$945,000	53.0%

Per Capita Tax – The PCT is a tax on City residents who are at least 18 years old. The City share of the PCT is \$5 and the School District share is \$10. The City currently collects the tax. ***Staff is working to identify residents who are not currently paying the tax, particularly those in high rise rental units.***

2011 YTD Actual	2011 YTD Budget	2011 YTD Actual to Budget (%)	2010 YTD Actual	2010 YTD Budget	2010 YTD Actual to Budget (%)
\$3,287	\$100,000	3.3%	\$3,302	\$91,000	3.6%

Licenses, Permits & Fees – Consists of housing and rental permit fees, franchise fees, traffic and court fines and other licenses, permits and fees.

- **Housing & Rental Permit Fees** – The City annually bills owners and tenants for housing and rental permits. As the City was previously late with these billings, we actually collected (in whole or in part) fees for 2008 through 2010 in 2010. Staff has been meeting to determine when 2011 permits should be billed and collected. Our current plan is that these billings will be mailed in September 2011 and collected in November 2011. A notice will be included with the 2011 bills that the 2012 bills will be mailed during 1Q2012 and due in April 2012. In subsequent years, the billing will follow the same pattern. ***That is the primary reason why this year's pace (32.6%) is behind last year (43.0%). At the same time, Maximus will be analyzing the permit and inspection process to recommend an appropriate fee for both. We expect this recommendation by August 31.***
- **Franchise Fees** – The City has on cable franchise agreement with Comcast. Franchise agreement fee (5%) payments are made quarterly.
- **Traffic & Court Fines** – Received monthly from the District Court system.

- Other Licenses, Permits & Fees – This category includes business privilege licenses, zoning fees, fire prevention permits and other fees.

2011 YTD Actual	2011 YTD Budget	2011 YTD Actual to Budget (%)	2010 YTD Actual	2010 YTD Budget	2010 YTD Actual to Budget (%)
\$2,017,441	\$6,190,113	32.6%	\$2,558,571	\$5,947,671	43.0%

Intergovernmental – This is primarily comprised of state pension contributions and meter surcharges.

- Pension – State Aid offsets a portion of the City contribution to the Police, Fire and O&E pension plans. The amount of state aid is dependent on the total amount of state funds available and the number of active employees in pension funds statewide. We are eligible for each full time employee who has worked for the City for a minimum of six months in the prior year. State Aid is received every October. In 2010, State Aid for pension was better than anticipated (\$2,972,820 vs. \$2.7 million, or 10%). State Aid unit value increased from \$3,128 to \$3,234 and the City qualified for more units from 909 to 919. The staff prepared the State Aid reports for 2011 and found that the City qualified for 801 units (118 less), or \$381,612 less than projected in State Aid. ***A Budget Appropriation Transfer of \$382,000 is planned for July.***
- Meter (Water) Surcharges – First enacted in 2005, the surcharge is currently \$5.32 per resident, per month. The City collects this surcharge as a direct subsidy.
- Other – This category is comprised mostly of:
 - Additional Lease Financing Fee (\$1.5 million) paid by RAWA to the City.
 - Reading Public Library (\$800,875)
 - Indirect Cost Reimbursement – Sewer, Water, Recycling, Community Development & Code (\$2,377,000)

2011 YTD Actual	2011 YTD Budget	2011 YTD Actual to Budget (%)	2010 YTD Actual	2010 YTD Budget	2010 YTD Actual to Budget (%)
\$2,040,223	\$9,762,175	20.9%	\$1,727,194	\$7,296,920	23.7%

Charges for Services -

- Admissions – The City receives admissions taxes (5%) from the Sovereign Center (minor league hockey) and FirstEnergy Stadium (minor league baseball) during the respective seasons. ***We are significantly ahead of last year's pace and expect to meet or exceed projections, as a result of the recently started baseball season.***
- User Fees – The City receives fees for providing Emergency Medical Services to the public.

2011 YTD Actual	2011 YTD Budget	2011 YTD Actual to	2010 YTD Actual	2010 YTD Budget	2010 YTD Actual to
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		Budget (%)			Budget (%)
\$1,691,108	\$4,351,811	38.9%	\$1,279,165	\$4,300,911	29.7%

Interest & Rent – 2011 revenue primarily represents a one-time payment from the Reading Redevelopment Authority (\$2.9 million).

2011 YTD Actual	2011 YTD Budget	2011 YTD Actual to Budget (%)	2010 YTD Actual	2010 YTD Budget	2010 YTD Actual to Budget (%)
\$4,079,833	\$4,470,200	80.8%	\$676,554	\$1,107,250	57.6%

Other Revenues

2011 YTD Actual	2011 YTD Budget	2011 YTD Actual to Budget (%)	2010 YTD Actual	2010 YTD Budget	2010 YTD Actual to Budget (%)
\$789,792	\$4,299,700	16.4%	\$883,402	\$5,113,516	16.0%

Expenditures

Wages and Salaries – Personnel includes wages and salaries for full time, part time and seasonal employees. The 2011 budget includes 636 full time employees. Personnel expenses remain relatively flat on a month-to-month basis. The most significant change occurred in Community Development as the Property Maintenance Division was transferred from the Police Department. (Note: City accounting practices until 2011 included using Vouchers Payable instead of Cash for wage and salary transactions. These practices preclude the staff from accurately reporting 2010 wage and salary activity.) **As these wage and salary expenses represent 41.7% of our annual budget to date, we are more noticeably ahead (39.5%) of last year's pace (36.3%). The Managing Director and the respective Department Heads are cautiously working towards filling vacancies, balancing levels of service with budget constraints. We are currently at 92.8% of our budgeted capacity.**

Department	2011 YTD Actual	2011 YTD Budget	2011 YTD Actual to Budget (%)	2010 YTD Actual	2010 YTD Budget	2010 YTD Actual to Budget (%)
Police	\$5,858,022	\$14,744,112	39.7%	\$5,881,048	\$15,335,997	38.4%
Fire	\$3,092,714	\$7,856,234	39.4%	\$3,096,500	\$9,265,981	33.4%
Public Works	\$686,094	\$1,825,060	37.6%	\$682,335	\$1,834,231	37.2%
Administration	\$1,105,989	\$2,630,427	42.1%	\$800,680	\$2,962,515	27.0%
Community Development	\$594,843	\$1,665,128	35.7%	\$234,370	\$558,929	41.9%
Other	\$239,394	\$604,016	39.6%	\$416,336	\$623,657	66.8%
Total	\$11,577,057	\$29,324,977	39.5%	\$11,111,271	\$30,581,310	36.3%

Full Time Employees – Act 47 requires the City to monitor and report changes in workforce each month. This chart indicates the employment trends among full time City employees.

Department	FT – 4/30/2011	FT – 12/31/2010	Change (#)	Change (%)
Police	192	208	-16	-7.7
Fire	123	131	-8	-6.1
Public Works	105	112	-7	-6.3
Administration	67	69	-2	-2.9
Community Development	41	17	+24	+141.2
Subtotal	528	537	-9	-1.7
RAWA	53	56	-3	-5.4
Library	10	10	0	0
Total	591	603	-12	-2.0
Budgeted	637	661	-24	-3.6
Filled	591	603	-12	-1.7
Filled to Budgeted (%)	92.8%	91.2%	N/A	N/A

Overtime – This chart monitors the overtime expenses for the departments with significant overtime costs. Public Financial Management is investigating the trends in overtime expenses in the respective departments. **Fire Department overtime is trending (79.4%) to going significantly overbudget. However, with the recent arbitration settlement, structural changes have been made to department scheduling starting in April, which should significantly reduce overtime throughout the remainder of the year. Between January and April, Fire overtime averaged \$176,179 each month, while May overtime dropped to \$74,327.** It is important to note that vacation season will begin soon, causing further strain on the overtime budget. Staff budget meetings continue each month, during which revised overtime projections and corrective actions will be determined.

Department	2011 YTD Actual	2011 YTD Budget	2011 YTD Actual to Budget (%)	2010 YTD Actual	2010 YTD Budget	2010 YTD Actual to Budget (%)
Police	\$625,366	\$1,174,860	53.2%	\$442,704	\$1,151,116	38.5%
Fire	\$779,043	\$981,500	79.4%	\$724,397	\$787,150	92.0%
Public Works	\$19,274	\$75,000	25.7%	\$39,935	\$76,700	52.1%

Pension (MMO) – The State requires the City to make a Minimum Municipal Obligation (MMO) payment to each of the City's three defined benefit plans. The MMO is determined from an actuarial valuation by the

respective actuary for each plan. The State requires that the MMO calculation be completed by the actuary by September 30 of each year and incorporated into the next year's budget. The State also requires that the City make the MMO payment to each plan by December 31 of each year. The practice of the City is to pay the three MMOs in December. The PA Auditor General has issued audit reports for all three pension plans for 2007 and 2008. In both years, the City underfunded its MMO. This funding was significantly corrected in December 2010 with the unfunded debt proceeds. The City still owes all three plans accrued interest on these funds for a total of \$781,738, at the assumed rate of return (7.5% or 8%). Additionally, the City overestimated its eligibility for State Aid in both years. The total amount of the overpayment of State Aid is \$389,641. As a result, the City is obligated to pay back the State Aid plus interest (current estimate is \$96,949, based on actual investment gains or losses). The total value of the audit findings is currently estimated at \$1,268,328, payable from the General Fund. ***The Managing Director, the Mayor and the PA Auditor General are currently negotiating a payment schedule for the funds owed. As a result of these findings, the staff recommends postponing the payments of the 2011 MMO until later this year as well as postponing a Budget Appropriation Transfer until a clear resolution of this matter is determined.***

Plan	2011 YTD Actual	2011 YTD Budget	2011 YTD Actual to Budget (%)	2010 YTD Actual	2010 YTD Budget	2010 YTD Actual to Budget (%)
Police	\$0	\$4,039,001	0.0%	\$0	\$2,100,386	0.0%
Fire	\$0	\$1,984,974	0.0%	\$0	\$1,277,395	0.0%
Employees & Officers	\$0	\$581,478	0.0%	\$0	\$336,060	0.0%
Total	\$0	\$6,605,453	0.0%	\$0	\$3,713,841	0.0%

Fringe Benefits – Benefits include Social Security, Medicare, health care, dental, prescription, vision and unemployment compensation expenses. As mentioned earlier in this document, the City historically has recorded these expenses in Vouchers Payable, so the accuracy of this activity cannot be fully confirmed. ***Our pace (26.1%) is significantly behind last year (38.8%). Research has found that Fringe Benefit costs are currently distributed to each department on a quarterly basis. Beginning in July, this distribution will occur monthly. At that point, we will have a better idea of any material budget variances.***

2011 YTD Actual	2011 YTD Budget	2011 YTD Actual to Budget (%)	2010 YTD Actual	2010 YTD Budget	2010 YTD Actual to Budget (%)
\$2,633,876	\$10,075,681	26.1%	\$3,238,660	\$8,344,405	38.8%

Debt Service – Interest and principal payments are primarily made in May and November of each year.

2011 YTD Actual	2011 YTD Budget	2011 YTD Actual to Budget (%)	2010 YTD Actual	2010 YTD Budget	2010 YTD Actual to Budget (%)
\$2,424,986	\$11,718,145	20.7%	\$2,470,569	\$6,996,350	35.3%

Operating Costs – The City follows a rigorous requisition and procurement process for spending its operating costs. Operating costs do fluctuate for month to month due to the various spending patterns by each of the departments. City Administration is developing best management practices to better centralize and plan its critical spending to maximize cash flow while meeting departmental needs. ***As these operating expenses represent 41.7% of our annual budget to date, we are noticeably ahead (48.6%) of budget and slightly ahead of last year's pace (45.3%). During June, staff will continue to identify and discuss budget variances. For variances exceeding \$10,000, Budget Appropriation Transfers will be identified and recommended to City Council.***

2011 YTD Actual	2011 YTD Budget	2011 YTD Actual to Budget (%)	2010 YTD Actual	2010 YTD Budget	2010 YTD Actual to Budget (%)
\$3,731,482	\$7,685,490	48.6%	\$3,245,084	\$7,171,173	45.3%

Interfund Transfers

Transfers In

- From Sewer (\$3 million) – The consent decree of November 2005 restricts the amount of annual transfers from the Sewer Fund to the General Fund. ***The first in a series of monthly transfers is scheduled to begin in June.***
- From RAWA (\$4,220,000) – Annual financing fee payment from the water system. ***The first in a series of monthly transfers is scheduled to begin in June.***

2011 YTD Actual	2011 YTD Budget	2011 YTD Actual to Budget (%)	2010 YTD Actual	2010 YTD Budget	2010 YTD Actual to Budget (%)
\$1,270,000	\$7,222,500	17.6%	\$0	\$7,055,000	0.0%

Transfers Out

- Self Insurance (\$1,702,435) – Transfers used to reimburse Self Insurance Fund for property, liability and workers compensation claims as well as administrative costs. ***The first in a series of monthly transfers is scheduled to begin in June.***

2011 YTD	2011 YTD	2011 YTD	2010 YTD	2010 YTD	2010 YTD
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Actual	Budget	Actual to Budget (%)	Actual	Budget	Actual to Budget (%)
\$0	\$1,072,435	0.0%	\$0	\$1,827,435	0.0%

Net Balance Sheet Activity

Cash transactions for Balance Sheet accounts affect the Cash Flow Report. We disclose these totals as Net Balance Sheet Activity. Significant transactions will be disclosed. For February 2011, Liquid Fuels Fund repaid General Fund \$810,103 for a prior loan.

Cash Balance - Ending

Cash balance remaining at end of month and recorded on General Ledger. ***At this time, staff projects healthy cash balances to be maintained between June and September 2011. Unfortunately, staff projections currently anticipate cash balances to drop below acceptable levels in the fourth quarter of 2011 (November – [\$2,212,989]; December – [\$5,238,147]. As we begin October, we will start monitoring cash balances on a more frequent basis and recommend corrective action, if necessary.***

<i>May 31, 2011</i>	<i>May 31, 2010</i>
\$10,031,485	\$5,098,011



CITY OF READING,
PENNSYLVANIA

M E M O R A N D U M

TO: John B. Nagel, Carl E. Geffken
FROM: Christian F. Zale, City Controller
DATE: May 11, 2011
SUBJECT: Schedule of Transfers

The following transfers are ongoing monthly activity since the beginning of the year:

\$1,428,912.00 Water Lease/Rental transfer of funds from RAWA bank account to fund 50 (city water) bank account. Budgeted annual amount is \$17,407,986.00. This dollar transfer will be reduced as city employees become RAWA employees.

\$145,833.00 Meter Surcharge transfer of funds from fund 50 (city water) bank account to fund 01 (general) bank account. Budgeted annual amount is \$1,750,000.00.

\$410,000.00 Water transfers and indirect cost reimbursement transfers of funds from fund 50 (city water) bank account to fund 01 (general) bank account. Budgeted annual amount is \$4,920,000.00.

Timing of transfers for the following needs to be determined:

\$1,500,000.00 RAWA Act 47 full year budget - Recommend a \$125,000.00 monthly transfer from fund 50 (city water) bank account to fund 01 (general) bank account, with a five month retro active adjustment in May of \$625,000.00.

\$3,000,000.00 Sewer transfer full year budget - Recommend a \$250,000.00 monthly transfer from fund 54 (sewer) bank account to fund 01 (general) bank account, with a five month retro active adjustment in May of \$1,250,000.00.

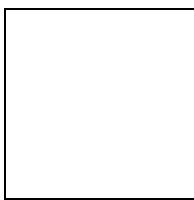
\$190,000.00 Parking Authority Surcharge full year budget - Recommend a \$15,833.00 monthly transfer from Parking Authority bank account to fund 01 (general) bank account, with a five month retro active adjustment in May of \$79,167.00.

\$760,000.00 Parking Authority Supplemental full year budget. Recommend a \$63,333.00 monthly transfer from Parking Authority bank account to fund 01 (general) bank account, with a five month retro active adjustment in May of \$316,667.00.

Indirect Cost Reimbursements:

In the past, indirect cost reimbursements, calculated by Maximus, have all been transferred to fund 01 (general) in December. The annual budget amounts for these reimbursements follow:

\$170,000.00 Recycling
\$992,000.00 Sewer
\$190,000.00 Community Development
\$325,000.00 Code Services
\$265,000.00 Housing Authority



\$1,942,000.00 total annual indirect cost reimbursement

Recommend a \$161,833.00 monthly transfer from the various banks accounts to fund 01 (general) bank account, with a five month retro active adjustment in May of \$809,167.00. December's transfers will be adjusted to account for the actual full year calculation provide by Maximus.

The above recommendations will help mitigate the city's cash flow issues throughout the year.

[illegible]

Budget Appropriation Transfers

City Council approved an ordinance (54-2009) regarding Council approval of all budget variances in excess of \$10,000. Specifically, the ordinance reads ***Requiring an amendment to the City's annual Budget Ordinance to authorize any cumulative modification to any departmental overall budget or line item that exceeds \$10,000. The request for a budget amendment must be submitted to City Council with an agenda memorandum explaining the justification for transfer and the proposed use for the funds transferred at least 2 weeks before the transfer is required.***

Using the parameters in the ordinance, I have compiled schedules of projected budget variances (see attached). These schedules have been distributed to the respective Department Heads for the purposes of justification. Within the next several weeks, those responses will be finalized. In order to give staff some constructive feedback, I thought it would be prudent to discuss this process with the Finance Committee

BUDGET APPROPRIATION TRANSFERS - MINIMUM \$10,000
AS OF JUNE 30, 2011
REVENUES

ACCOUNT NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	ACTUAL 4/30/2011	PROJECTED ACTUAL	PROJECTED VARIANCE	BUDGET APPROPRIATION TRANSFER	REASON
	Real Estate Taxes	\$ 18,966,209	\$ 7,268,517	\$ 18,966,209	\$ -	\$ -	TBA
	Earned Income Taxes	\$ 11,797,117	\$ 1,788,953	\$ 11,797,117	\$ -	\$ -	TBA
	Business Privilege Taxes	\$ 1,635,000	\$ 978,384	\$ 1,635,000	\$ -	\$ -	TBA
	Real Estate Transfer Taxes	\$ 2,750,000	\$ 649,615	\$ 2,750,000	\$ -	\$ -	TBA
	Local Services Taxes	\$ 1,121,445	\$ 309,717	\$ 1,121,445	\$ -	\$ -	TBA
	Licenses, Permits & Fees	\$ 6,190,113	\$ 1,528,424	\$ 6,190,113	\$ -	\$ -	TBA
	Intergovernmental	\$ 9,582,175	\$ 1,663,372	\$ 9,210,563	\$ (381,612)	\$ 382,000	City Qualifies for 118 Units Less Than Projected; Unit Value Still Needs to be Determined
	Charges for Services	\$ 3,871,811	\$ 1,321,587	\$ 3,871,811	\$ -	\$ -	TBA
	Interest & Rent	\$ 4,470,200	\$ 3,609,985	\$ 4,470,200	\$ -	\$ -	TBA
	Other Revenues	\$ 4,299,700	\$ 704,293	\$ 4,299,700	\$ -	\$ -	TBA
	TOTAL					\$ 382,000	

CITY OF READING
BUDGET APPROPRIATION TRANSFERS - MINIMUM \$10,000
AS OF JUNE 30, 2011
POLICE

ACCOUNT NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	ACTUAL 4/30/2011	PROJECTED ACTUAL	PROJECTED VARIANCE	BUDGET APPROPRIATION TRANSFER	REASON
01-08-284510	General Plant Supplies	\$ 40,000	\$ 2,563	\$ 7,689	\$ (32,311)	\$ (32,000)	TBA
01-08-294614	Police Academy	\$ 130,000	\$ 17,980	\$ 53,940	\$ (76,060)	\$ (76,000)	TBA
01-08-294510	General Plant Supplies	\$ 70,000	\$ 13,385	\$ 40,155	\$ (29,845)	\$ (30,000)	TBA
01-08-294216	Contracted Services	\$ 42,287	\$ 9,197	\$ 27,591	\$ (14,696)	\$ (15,000)	TBA
01-08-294402	Maintenance & Repair - Equipment	\$ 20,000	\$ 2,247	\$ 6,741	\$ (13,259)	\$ (13,000)	TBA
01-08-304016	Temporary Wages	\$ 375,000	\$ 147,229	\$ 441,687	\$ 66,687	\$ 67,000	Radio Dispatchers; Pool of 6-12; Seasonal Crossing Guards (Can Now File PAUC)
01-08-304803	Vehicles	\$ 230,000	\$ 32,103	\$ 96,309	\$ (133,691)	\$ (134,000)	TBA
01-08-304504	Uniforms	\$ 90,000	\$ 16,516	\$ 49,548	\$ (40,452)	\$ (40,000)	TBA
01-08-304510	General Plant Supplies	\$ 40,000	\$ 3,551	\$ 10,653	\$ (29,347)	\$ (29,000)	TBA
01-08-364210	Abatement	\$ -	\$ 11,862	\$ 35,586	\$ 35,586	\$ 36,000	TBA
Various	Salaries Plus Holiday Pay	\$ 13,908,626	\$ 4,983,636	\$ 14,950,908	\$ 1,042,282	\$ 1,042,282	10 Sworn Officers Retired in 2011 with 30 Sick Days plus 5 or 6 Weeks of Vacation; 2011 Authorized Strength - 174; Targeted to Fill 11 Positions by June 30, as Large Group Retiring in June
Various	Overtime	\$ 1,019,985	\$ 481,859	\$ 1,445,577	\$ 425,592	\$ 426,000	Contract Settlement Resulted in Reductions in Sick Leave and Overtime Coverage, Starting in April 2011
Various	Longevity	\$ 420,161	\$ 85,826	\$ 257,478	\$ (162,683)	\$ 163,000	TBA
TOTAL						\$ 1,365,282	

CITY OF READING
BUDGET APPROPRIATION TRANSFERS - MINIMUM \$10,000
AS OF JUNE 30, 2011
FIRE

ACCOUNT NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	ACTUAL 4/30/2011	PROJECTED ACTUAL	PROJECTED VARIANCE	BUDGET APPROPRIATION TRANSFER	REASON
01-09-324216	Contracted Services	\$ 10,000	\$ 21,039	\$ 63,117	\$ 53,117	\$ 53,000	Fire Consultants (Civitarese - \$25,000 & Fire Chief Search - \$8,000)
01-09-324101	Light & Power	\$ 12,000	\$ 8,094	\$ 24,282	\$ 12,282	\$ 12,000	Heat & Air for Fire Museum
01-09-344402	Maintenance & Repair - Equipment	\$ 60,000	\$ 16,499	\$ 49,497	\$ (10,503)	\$ (11,000)	Argo Fire - 2 Apparatus - \$4,000 Each; Routine Testing of Air Packs & Meters
01-09-344802	Machinery & Equipment	\$ 55,000	\$ 10,902	\$ 32,706	\$ (22,294)	\$ (22,000)	Will Stay Within Budget
01-09-355411	Maintenance Agreements	\$ 22,000	\$ 3,365	\$ 10,095	\$ (11,905)	\$ (12,000)	Life Packs, Heart Monitors & AEDs; Increase to 20 Units; Agreements Paid
01-09-354525	Minor Capital Equipment	\$ 53,200	\$ 1,198	\$ 3,594	\$ (49,606)	\$ (50,000)	Ambulance Chassis; Staff Vehicle; Ambulance Leases (3) Done
Various	Salaries Plus Holiday Pay	\$ 7,532,649	\$ 2,604,781	\$ 7,814,343	\$ 281,694	\$ 282,000	TBA
Various	Overtime	\$ 981,500	\$ 704,716	\$ 2,114,148	\$ 1,132,648	\$ 500,000	MD Estimate
Various	Longevity	\$ 198,985	\$ 102,511	\$ 307,533	\$ 108,548	\$ 109,000	Anniversary Dates Vary Each Month
	TOTAL					\$ 861,000	

CITY OF READING
 BUDGET APPROPRIATION TRANSFERS - MINIMUM \$10,000
 AS OF JUNE 30, 2011
 PUBLIC WORKS

ACCOUNT NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	ACTUAL 4/30/2011	PROJECTED ACTUAL	PROJECTED VARIANCE	BUDGET APPROPRIATION TRANSFER	REASON
01-07-144501	Gas	\$ 472,996	\$ 242,069	\$ 726,207	\$ 253,211	\$ 254,000	Fuel for Entire City Fleet; Current Bid with Penn Pride (Cost Plus Index)
01-07-244301	Light	\$ 130,000	\$ 54,971	\$ 164,913	\$ 34,913	\$ 35,000	Street Lighting Excess Over Liquid Fuels Fund; Met Ed - Provider; Rate Increase
01-07-244409	Maintenance & Repair Street Lights	\$ 65,000	\$ 35,265	\$ 105,795	\$ 40,795	\$ 41,000	Knockdowns & Corrosions; Aging Inventory
01-07-244412	Maintenance & Repair Signs & Paint	\$ 10,000	\$ 7,209	\$ 21,627	\$ 11,627	\$ 12,000	Handicapped Spaces Required by ADA; Significant Increases
01-07-504203	Rentals & Leases	\$ 255,000	\$ 164,480	\$ 493,440	\$ 238,440	\$ 239,000	Includes both Lease from Reading RDA and Honeywell HVAC Improvements (10 Years)
01-07-744101	Light & Power	\$ 450,000	\$ 177,920	\$ 533,760	\$ 83,760	\$ 84,000	Buildings; Met Ed Rate Increases
01-07-744216	Contracted Services	\$ 235,000	\$ 138,597	\$ 415,791	\$ 180,791	\$ 181,000	Buildings; Fire Station Mold Remediation
01-07-744133	Gas - Utilities	\$ 130,000	\$ 96,130	\$ 288,390	\$ 158,390	\$ 158,000	UGI; Natural Gas - Heat; All City Buildings; New Fire Station Heated Since October 2010
01-07-744100	Fuel	\$ 100,000	\$ 88,344	\$ 265,032	\$ 165,032	\$ 165,000	Heating Oil; Two Buildings
TOTAL						\$ 1,169,000	

CITY OF READING
BUDGET APPROPRIATION TRANSFERS - MINIMUM \$10,000
AS OF JUNE 30, 2011
ADMINISTRATION

ACCOUNT NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	ACTUAL 4/30/2011	PROJECTED ACTUAL	PROJECTED VARIANCE	BUDGET APPROPRIATION TRANSFER	REASON
01-02-094205	Codified Ordinance	\$ 9,000	\$ 10,621	\$ 31,863	\$ 22,863	\$ 23,000	TBA
01-04-064739	Contingencies	\$ 1,500	\$ 5,145	\$ 15,435	\$ 13,935	\$ 14,000	TBA
01-04-064016	Temporary Wages	\$ -	\$ 4,347	\$ 13,041	\$ 13,041	\$ 13,000	TBA
01-06-234411	Maintenance Agreements	\$ 555,000	\$ 218,234	\$ 654,702	\$ 99,702	\$ 100,000	TBA
01-06-194213	Collection Expense - Tax Claim	\$ 15,000	\$ 166,389	\$ 499,167	\$ 484,167	\$ 484,000	Berks County (Property) & Portnoff
01-06-164411	Maintenance Agreements	\$ 233,100	\$ 95,910	\$ 287,730	\$ 54,630	\$ 55,000	TBA
01-06-234222	Consulting Services	\$ 72,000	\$ 79,099	\$ 237,297	\$ 165,297	\$ 165,000	TBA
01-06-234802	Machinery & Equipment	\$ 85,000	\$ 32,777	\$ 98,331	\$ 13,331	\$ 13,000	TBA
01-06-134016	Temporary Wages	\$ -	\$ 19,795	\$ 59,385	\$ 59,385	\$ 59,000	TBA
01-06134216	Contracted Services	\$ -	\$ 9,983	\$ 29,949	\$ 29,949	\$ 30,000	TBA
01-06-184016	Temporary Wages	\$ -	\$ 5,913	\$ 17,739	\$ 17,739	\$ 18,000	TBA
01-06-414104	Telephone	\$ -	\$ 4,545	\$ 13,635	\$ 13,635	\$ 14,000	
01-06-194002	Longevity	\$ 1,120	\$ 4,420	\$ 13,260	\$ 12,140	\$ 12,000	
01-06-164506	Office Supplies	\$ 45,000	\$ 3,675	\$ 11,025	\$ (33,975)	\$ (34,000)	
01-06-164016	Temporary Wages	\$ 22,250	\$ 2,243	\$ 6,729	\$ (15,521)	\$ (16,000)	
01-11-114216	Contracted Services	\$ 10,000	\$ 13,448	\$ 40,344	\$ 30,344	\$ 30,000	
01-11-114235	Fees	\$ 40,900	\$ 6,095	\$ 18,285	\$ (22,615)	\$ (23,000)	
01-12-254216	Contracted Services	\$ 117,200	\$ 88,052	\$ 264,156	\$ 146,956	\$ 147,000	
01-12-124224	Legal Services	\$ 150,000	\$ 40,281	\$ 120,843	\$ (29,157)	\$ (29,000)	
Various	Salaries	\$ 3,172,143	\$ 1,074,580	\$ 3,223,740	\$ 51,597	\$ 52,000	
	TOTAL					\$ 1,127,000	

CITY OF READING
BUDGET APPROPRIATION TRANSFERS - MINIMUM \$10,000
AS OF JUNE 30, 2011
ADMINISTRATION - CONTINUED

ACCOUNT NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	ACTUAL 4/30/2011	PROJECTED ACTUAL	PROJECTED VARIANCE	BUDGET APPROPRIATION TRANSFER	REASON
01-14-914854	Interest GOB - Series 2009	\$ 1,169,150	\$ 584,575	\$ 1,169,150	\$ -	\$ -	TBA
01-14-914908	Prescription Insurance	\$ -	\$ 531,207	\$ 1,593,621	\$ 1,593,621	\$ 1,594,000	TBA
01-14-914861	GOB Series 2008 Interest	\$ 718,961	\$ 359,481	\$ 718,962	\$ 1	\$ -	TBA
01-14-914913	Social Security	\$ -	\$ 286,657	\$ 859,971	\$ 859,971	\$ 860,000	TBA
01-14-914905	Medicare	\$ -	\$ 167,604	\$ 502,812	\$ 502,812	\$ 503,000	TBA
01-14-914783	Interest - GOB Series 2008 D	\$ 608,582	\$ 150,622	\$ 301,244	\$ (307,338)	\$ (307,000)	TBA
01-14-914909	Dental Insurance	\$ -	\$ 133,400	\$ 400,200	\$ 400,200	\$ 400,000	TBA
01-14-914743	Miscellaneous Expense	\$ -	\$ 112,942	\$ 338,826	\$ 338,826	\$ 339,000	TBA
01-14-914907	Unemployment Compensation	\$ 475,000	\$ 107,990	\$ 323,790	\$ (151,210)	\$ (151,000)	TBA
01-14-914781	Interest - GOB Series 2008 C	\$ 682,728	\$ 56,685	\$ 170,055	\$ (512,673)	\$ (513,000)	TBA
01-14-914319	PA League of Cities	\$ 30,000	\$ 31,933	\$ 95,799	\$ 65,799	\$ 66,000	TBA
01-14-914741	Administrative Expenses	\$ 30,000	\$ 26,661	\$ 79,983	\$ 49,983	\$ 50,000	
01-14-914777	Charter Review Board	\$ 20,000	\$ 24,678	\$ 74,034	\$ 54,034	\$ 54,000	
01-14-914910	Vision Insurance	\$ -	\$ 22,611	\$ 67,833	\$ 67,833	\$ 68,000	
01-14-914904	Life Insurance	\$ -	\$ 14,286	\$ 42,858	\$ 42,858	\$ 43,000	
01-14-914780	Civil Service Board	\$ -	\$ 12,947	\$ 38,841	\$ 38,841	\$ 39,000	
01-14-914911	Penny Fund	\$ -	\$ 7,500	\$ 22,500	\$ 22,500	\$ 23,000	
01-14-914740	Audits	\$ 95,000	\$ 6,000	\$ 18,000	\$ (77,000)	\$ -	
01-14-914866	GO Note 2010 - Interest	\$ 193,469	\$ (79,647)	\$ (238,941)	\$ (432,410)	\$ (432,000)	
01-17-914776	Board of Ethics	\$ 2,500	\$ 2,468	\$ 7,404	\$ 4,904	\$ 5,000	
	TOTAL					\$ 2,641,000	

BUDGET APPROPRIATION TRANSFERS - MINIMUM \$10,000
AS OF JUNE 30, 2011
COMMUNITY DEVELOPMENT

ACCOUNT NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	ACTUAL 4/30/2011	PROJECTED ACTUAL	PROJECTED VARIANCE	BUDGET APPROPRIATION TRANSFER	REASON
01-10-364210	Abatement (Erin)	\$ 90,000	\$ 19,352	\$ 58,056	\$ (31,944)	\$ (32,000)	Independent Contractors (Stubbs & Lennys) for Securing and Cleaning Vacant Properties. Budget Appropriation Transfer of \$17,000 Reduced Original Budget
01-10-394216	Contracted Services (Chris)	\$ 10,000	\$ 8,467	\$ 25,401	\$ 15,401	\$ 15,000	TBD
01-10-394016	Temporary Wages (Erin)	\$ -	\$ 3,305	\$ 9,915	\$ 9,915	\$ 10,000	Budget Appropriations Transfer of \$10,000 from 01-10- 36-3210; Used to Pay Health Officer's (Dr. Hassel) Contract with City
Various	Salaries (Dan R)	\$ 1,653,916	\$ 461,044	\$ 1,383,132	\$ (270,784)	\$ (271,000)	TBD
	TOTAL					\$ (278,000)	

BUDGET APPROPRIATION TRANSFERS - MINIMUM \$10,000
AS OF JUNE 30, 2011
PENSION

ACCOUNT NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	ACTUAL 4/30/2011	PROJECTED ACTUAL	PROJECTED VARIANCE	BUDGET APPROPRIATION TRANSFER	REASON
	Pension	\$ 6,605,453	\$ -	\$ 7,873,781	\$ 1,268,328	\$ 1,268,000	City Owes \$781,738 in MMOs for All Three Plans for 2007-08; City Owes \$389,641 in Overpaid State Aid plus \$96,949 in interest
	TOTAL					\$ 1,268,000	

BUDGET APPROPRIATION TRANSFERS - MINIMUM \$10,000
AS OF JUNE 30, 2011
FRINGE BENEFITS

ACCOUNT NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	ACTUAL 4/30/2011	PROJECTED ACTUAL	PROJECTED VARIANCE	BUDGET APPROPRIATION TRANSFER	REASON
						\$	-
	TOTAL						

BUDGET APPROPRIATION TRANSFERS - MINIMUM \$10,000
AS OF JUNE 30, 2011
RAWA

ACCOUNT NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	ACTUAL 4/30/2011	PROJECTED ACTUAL	PROJECTED VARIANCE	BUDGET APPROPRIATION		REASON
						TRANSFER		
50-15-83-4100	Fuel	\$ 35,000	\$ 16,953	\$ 50,859	\$ 15,859	\$ 16,000		Price Increases; Bid through City
50-15-84-4000	Salaries	\$ 583,477	\$ 219,521	\$ 658,563	\$ 75,086	\$ 75,000		TBD
50-15-85-4101	Light & Power	\$ 400,000	\$ 142,131	\$ 426,393	\$ 26,393	\$ 26,000		TBD
50-15-86-4829	Extensions & Improvements	\$ 100,000	\$ 61,144	\$ 183,432	\$ 83,432	\$ 83,000		Main Breaks and New Services
50-15-86-4100	Fuel	\$ 50,000	\$ 20,134	\$ 60,402	\$ 10,402	\$ 10,000		Price Increases; Bid through City
50-15-96-4971	Transfers to General Fund	\$ 4,220,000	\$ 1,640,000	\$ 5,720,000	\$ 1,500,000	\$ 1,500,000		\$1.5 Million
TOTAL								

BUDGET APPROPRIATION TRANSFERS - MINIMUM \$10,000
AS OF JUNE 30, 2011
SELF INSURANCE

ACCOUNT NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	ACTUAL 4/30/2011	PROJECTED ACTUAL	PROJECTED VARIANCE	BUDGET APPROPRIATION TRANSFER	REASON
52-11-004752	Premium Payments	\$ 712,000	\$ 480,267	\$ 1,440,801	\$ 728,801	\$ 729,000	Quarterly payments due for certain policies. Account should come in under budget.
52-11-274752	Premium Payments	\$ 130,000	\$ 103,667	\$ 103,667	\$ (26,333)	\$ (26,000)	Excess Workers Compensation Premium Paid in Full.
TOTAL						\$ 703,000	

BUDGET APPROPRIATION TRANSFERS - MINIMUM \$10,000
AS OF JUNE 30, 2011
SEWER

ACCOUNT NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	ACTUAL 4/30/2011	PROJECTED ACTUAL	PROJECTED VARIANCE	BUDGET APPROPRIATION TRANSFER	REASON
54-07-434803	Vehicles	\$ 400,000	\$ 255,000	\$ 765,000	\$ 365,000		
54-07-434216	Contracted Services	\$ 500,000	\$ 89,941	\$ 103,667	\$ (396,333)		
54-07-434101	Light & Power	\$ 325,000	\$ 68,396	\$ 205,188	\$ (119,812)		
54-07434977	Intradepartmental Direct Cost	\$ 125,000	\$ 16,205	\$ 48,615	\$ (76,385)		
54-07-434501	Gas	\$ 40,000	\$ 7,750	\$ 23,250	\$ (16,750)		
54-07-434516	Sewer Repair Supplies	\$ 75,000	\$ 7,276	\$ 21,828	\$ (53,172)		
54-07-434222	Consulting Services	\$ 500,000	\$ 7,250	\$ 21,750	\$ (478,250)		
54-07-434235	Fees	\$ 60,000	\$ 1,694	\$ 5,082	\$ (54,918)		
54-07-434523	Highway Maintenance & Repair	\$ 50,000	\$ 928	\$ 2,784	\$ (47,216)		
54-07444000	Salaries	\$ 2,407,377	\$ 725,167	\$ 2,175,501	\$ (231,876)		
54-07-444101	Light & Power	\$ 1,100,000	\$ 306,672	\$ 920,016	\$ (179,984)		
54-07-444235	Fees	\$ 1,600,000	\$ 266,818	\$ 800,454	\$ (799,546)		
54-07-444830	Capital - Other	\$ -	\$ 243,926	\$ 731,778	\$ 731,778		
54-07-444513	Chemical Supplies	\$ 800,000	\$ 149,232	\$ 447,696	\$ (352,304)		
54-07-444406	General Repairs	\$ 750,000	\$ 121,817	\$ 365,451	\$ (384,549)		
54-07-444216	Contracted Services	\$ 500,000	\$ 117,514	\$ 352,542	\$ (147,458)		
54-07-444006	Overtime	\$ 500,000	\$ 96,053	\$ 288,159	\$ (211,841)		
54-07-444525	Minor Capital Equipment	\$ 1,490,000	\$ 49,828	\$ 149,484	\$ (1,340,516)		
54-07-444508	Lab Supplies	\$ 185,000	\$ 46,529	\$ 139,587	\$ (45,413)		
54-07-444222	Consulting Services	\$ 500,000	\$ 25,528	\$ 76,584	\$ (423,416)		
54-07-444107	Water Services	\$ 150,000	\$ 20,299	\$ 60,897	\$ (89,103)		
54-07-444501	Gas	\$ 35,000	\$ 4,325	\$ 12,975	\$ (22,025)		
54-07444504	Uniforms	\$ 25,000	\$ 4,055	\$ 12,165	\$ (12,835)		
54-07-444108	Lab Services	\$ 50,000	\$ 3,238	\$ 9,714	\$ (40,286)		
54-07-444307	Conferences & Training	\$ 35,000	\$ 1,750	\$ 5,250	\$ (29,750)		
54-07-444104	Telephone	\$ 16,500	\$ 601	\$ 1,803	\$ (14,697)		
54-07-91-4861	GOB Series 2008 Interest Expense	\$ 1,706,624	\$ 853,312	\$ 2,559,936	\$ 853,312		
54-07-914960	Transfer to Self Insurance Fund	\$ 905,000	\$ 150,833	\$ 452,499	\$ (452,501)		
54-07-914783	Interest - GOB Series 2008 D	\$ 152,146	\$ 76,257	\$ 228,771	\$ 76,625		
54-07-914797	Interest - GOB Series 2008 E	\$ 93,272	\$ 2,381	\$ 7,143	\$ (86,129)		
	TOTAL				\$		

BUDGET APPROPRIATION TRANSFERS - MINIMUM \$10,000
AS OF JUNE 30, 2011
RECYCLING & TRASH

ACCOUNT NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	ACTUAL 4/30/2011	PROJECTED ACTUAL	PROJECTED VARIANCE	BUDGET APPROPRIATION TRANSFER	REASON
56-07-464000	Salaries	\$ 469,406	\$ 89,684	\$ 358,736	\$ (110,670)		
56-07-464016	Temporary Wages	\$ 70,000	\$ 12,454	\$ 49,816	\$ (20,184)		
56-07-464216	Contracted Services	\$ 55,000	\$ 10,642	\$ 42,568	\$ (12,432)		Cleanup by Haulers - Holland & Stubbs
56-07464006	Overtime	\$ 2,500	\$ 7,981	\$ 31,924	\$ 29,424		
56-07-464509	Postage	\$ 24,000	\$ 555	\$ 2,220	\$ (21,780)		Mailings - Bills & Newsletters
56-07-464212	Contracted Services	\$ 2,758,879	\$ 672,485	\$ 2,689,940	\$ (68,939)		
56-07474000	Salaries	\$ 85,247	\$ 18,720	\$ 74,880	\$ (10,367)		
56-07-474736	Tipping Fees	\$ 80,000	\$ 12,623	\$ 50,492	\$ (29,508)		
54-07-434523	Highway Maintenance & Repair	\$ 50,000	\$ 928	\$ 3,712	\$ (46,288)		
54-07444000	Salaries	\$ 2,407,377	\$ 725,167	\$ 2,900,668	\$ 493,291		
54-07-444101	Light & Power	\$ 1,100,000	\$ 306,672	\$ 1,226,688	\$ 126,688		
54-07-444235	Fees	\$ 1,600,000	\$ 266,818	\$ 1,067,272	\$ (532,728)		
54-07-444830	Capital - Other	\$ -	\$ 243,926	\$ 975,704	\$ 975,704		
54-07-444513	Chemical Supplies	\$ 800,000	\$ 149,232	\$ 596,928	\$ (203,072)		
54-07-444406	General Repairs	\$ 750,000	\$ 121,817	\$ 487,268	\$ (262,732)		
54-07-444216	Contracted Services	\$ 500,000	\$ 117,514	\$ 470,056	\$ (29,944)		
54-07-444006	Overtime	\$ 500,000	\$ 96,053	\$ 384,212	\$ (115,788)		
54-07-444525	Minor Capital Equipment	\$ 1,490,000	\$ 49,828	\$ 199,312	\$ (1,290,688)		
54-07-444508	Lab Supplies	\$ 185,000	\$ 46,529	\$ 186,116	\$ 1,116		
54-07-444222	Consulting Services	\$ 500,000	\$ 25,528	\$ 102,112	\$ (397,888)		
54-07-444107	Water Services	\$ 150,000	\$ 20,299	\$ 81,196	\$ (68,804)		
54-07-444501	Gas	\$ 35,000	\$ 4,325	\$ 17,300	\$ (17,700)		
54-07444504	Uniforms	\$ 25,000	\$ 4,055	\$ 16,220	\$ (8,780)		
54-07-444108	Lab Services	\$ 50,000	\$ 3,238	\$ 12,952	\$ (37,048)		
54-07-444307	Conferences & Training	\$ 35,000	\$ 1,750	\$ 7,000	\$ (28,000)		
54-07-444104	Telephone	\$ 16,500	\$ 601	\$ 2,404	\$ (14,096)		
54-07-91-4861	GOB Series 2008 Interest Expense	\$ 1,706,624	\$ 853,312	\$ 3,413,248	\$ 1,706,624		
54-07-914960	Transfer to Self Insurance Fund	\$ 905,000	\$ 150,833	\$ 603,332	\$ (301,668)		
54-07-914783	Interest - GOB Series 2008 D	\$ 152,146	\$ 76,257	\$ 305,028	\$ 152,882		
54-07-914797	Interest - GOB Series 2008 E	\$ 93,272	\$ 2,381	\$ 9,524	\$ (83,748)		
	TOTAL				\$ -		

Community Development Fund Accounting

Earlier this year, the Charter Board opined that Community Development could not create separate bank accounts and separate accounting procedures for Community Development transactions. Instead, it was determined that Community Development should comply with the standard fund accounting procedures for the City. As a result, Community Development has begun using the City's accounting system (USL) to process payment requests. Currently, Community Development processes its requests using an Accounts Payable form (see attached). This form needs to be approved by the following City officials:

- Division Manager – Dan Wright
- Department Director – Dan Robinson
- Controller – Chris Zale
- Administrative Services Director (over \$4,000) – John Nagel
- Managing Director (over \$10,000) – Carl Geffken
- City Auditor – Dave Cituk
- Purchasing Coordinator – Tammi Reinhart

The thresholds for the Administrative Services Director and the Managing Director were established to help streamline the approval process for less than significant payments. Within the past week, the Purchasing Coordinator has trained the Community Development Accountant on using the automated Purchase Requisition (PQ) module of USL. PQ allows us to electronically process payments previously described for the manual Accounts Payable form. Staff is also working with USL staff to modify PQ so that bids, quotes and invoices can be scanned and attached to PQ transactions. These changes should help further expedite payments in all City departments. If implemented, USL will also generate reports to track individual PQ transactions as well as processing times and bottlenecks on Department and City bases. Staff is currently waiting for a proposal from USL on these enhancements.

We welcome any feedback from City Council on this matter.

John

John B. Nagel
Director of Administrative Services

City of Reading Accounts Payable Form

The attached invoice reflects a purchase made by city personnel without a purchase order. In order to process for payment *over* \$500, this form must be signed by the following officials in the order listed: division manager, department director, controller, director of administrative services, purchasing coordinator. If the purchase is over \$10,000, it must be signed by the managing director. After signatures are obtained, please deliver to accounts payable.

Vendor's Name:

Vendor's Address:

For Accounting Use Only

V.N.

I.N.

-

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Project #	ACCOUNT CODE	Funding Source/Contract #	AMOUNT
- - - - -	- - - - -		
- - - - -	- - - - -		
- - - - -	- - - - -		
- - - - -	- - - - -		

Brief Description:

Special Instructions:

- - - - -

Division Manager/Date

Department Director/Date

Purchasing Coordinator

Controller/Date

Managing Director/Date

Dir of Admin Services/Date

Chapter	No.	Initiative	Due Date	Priority	Tracking	Tracking	Completion
Plan Implementation	PI01	Implementation Committee Meetings - Council reps, Admin & Act 47 Coordinator	N/A	0			0
Plan Implementation	PI02	Deploy Implementation Action Teams - Council reps, Admin & Act 47 Coordinator	N/A	0			0
Plan Implementation	PI03	Establish a Citizens Advisory Committee - see Cod Ords - Chapter 1 Part 5 E	N/A	2			0
Plan Implementation	PI04	Create a loaned executive program	N/A	2			0
Plan Implementation	PI05	Publish a performance measurement report to Mayor, Council, Act 47 Coordinator	Quarterly	21			0
Plan Implementation	PI06	Increase participation in regional organizations	N/A	3			0
Plan Implementation	PI07	Create teams to study authority and joint working options	N/A	21			0
Debt	DS01	Unfunded debt transaction	N/A	13			Nov-10
Debt	DS02	Terminate the swap agreement on the 2002 CABs	Jul 21 2010	14			0
Debt	DS03	Terminate the 2008 Swap Agreement	Eval monthly	3			0
Debt	DS04	Discontinue use of scoop refunding; require Coordinator approval of debt transactions	N/A	2			0
Debt	DS05	Explore alternative approaches to wastewater capital funding	N/A	2			0
Debt	DS06	Adopt and comply with debt policies reports to Council and Admin	N/A	2	Dec-10		0
Workforce	WF01	Use professional assistance for labor negotiations	N/A	11			0
Workforce	WF02	Establish a labor/management committee for all employee groups	N/A	2			Ongoing

Workforce	WF03	Limit new contract enhancements	N/A	16			0
Workforce	WF04	Eliminate FOP expenditure reduction bonus provision	Jan 1 2011	3			0
Workforce	WF05	Eliminate free employee parking	N/A	13		Mgmt & 1st level Jan 2010	
Workforce	WF06	Ensure future collective bargaining agreements remain compliant with Recovery Plan	N/A	16			0
Workforce	WF07	Three year wage and step freeze	Jan 1 2011	18			0
Workforce	WF08	Three year wage and step freeze for first level supervisors (AFSCME 3799)	Jan 1 2011	12			0
Workforce	WF09	Reduce management salaries by 2.5% in 2011	Jan 01 2011	18			0
Workforce	WF10	New pay scale for new police officers	Dec 31 2012	3			0
Workforce	WF11	New pay scale for new firefighters	Jan 1 2011	16			0
Workforce	WF12	Freeze longevity pay and eligibility	Jan 1 2011	16			0
Workforce	WF13	Reduce holidays from 14 to 10	Jan 1 2011	12		Mgmt Jan 2010	0
Workforce	WF14	Retain the right to use furlough days	2011-14	13			0
Workforce	WF15	Adjust overtime eligibility thresholds to reflect hours actually worked	N/A	16			0
Workforce	WF16	Reduce vacation leave	N/A	16			0
Workforce	WF17	Reduce sick leave allotments	N/A	16			0
Workforce	WF18	Amend sick leave incentive program	N/A	16			0

Workforce	WF19	Improve sick leave monitoring	N/A	16			0
Workforce	WF20	Court-related overtime reduction strategy	Jan 1 2012	2			0
Workforce	WF21	Amend IAFF overtime calculation to reflect Fire Department shift change	Jan 1 2011	16			0
Workforce	WF22	Adjust IAFF minimum overtime provision	N/A	16			0
Workforce	WF23	Remove disincentive for mutual aid use from IAFF agreement	Dec 31 2010	16			0
Workforce	WF24	Redesign employee health care	2011-12	11		Mgmt & 1st level Jan 2010	0
Workforce	WF25	Contain post-retirement healthcare costs	N/A	12			0
Workforce	WF26	Other health care cost containment measures	Sept 30 2010	2			0
Workforce	WF27	Enhance light-duty program	N/A	3			0
Workforce	WF28	Retain flexibility to fill vacant positions after six months	N/A	16			0
Workforce	WF29	Improve flexibility to assign qualified firefighters to duties as needed	N/A	16			0
Workforce	WF30	Review and restructure fire academy training	N/A	16			0
Workforce	WF31	Change first step of grievance process	N/A	16			0
Pension	PN01	Take advantage of Act 44 remedies	2011-12	11			0
Pension	PN02	Deposit 2007 unpaid MMO obligations	N/A	13			Dec-10
Pension	PN03	Do not provide benefits which exceed those allowed by the Third Class City Code	N/A	3			0

Pension	PN04	Comply with the Internal Revenue Code	Jan 31 2011	12			0
Pension	PN05	Eliminate overtime from firefighter pension benefit calculation for new hires	N/A	16			0
Pension	PN06	Eliminate the DROP program	N/A	16			0
Pension	PN07	Explore creation of a new, less expensive defined benefit plan for new employees	Dec 31 2010	11			0
Pension	PN08	Make a portion of the annual City pension contribution earlier in the year	N/A	2			0
Pension	PN09	Explore a defined contribution plan for retiree medical costs	N/A	3			0
Pension	PN10	Eliminate City contribution to retiree life insurance for new hires	N/A	16			0
Mayor's Office	OM01	Work with City Council to modify and revise City ordinances as necessary to implement the Recovery Plan	N/A	5			0
City Council and City Clerk	CC01	Modify and revise City ordinances as necessary to implement the Recovery Plan	N/A	5			0
City Council and City Clerk	CC02	Hold annual town hall meeting on City's progress	June 30 2011	5			0
City Auditor	CA01	Support Recovery Plan implementation and the external audit process	N/A	5			0
City Auditor	CA02	Establish process for coordinating and responding to external audits	N/A	2			0
City Auditor	CA03	Complete post project completion audits for capital work	N/A	2			0
Finance	FI01	Cash flow reporting and monitoring, monthly rept to Council, Mayor Act 47 Coordinator	N/A	11			Sep-10
Finance	FI02	Develop annual budget document	Oct 1 2010	18			0
Finance	FI03	Create a system to charge back expenses to departments	N/A	2			0

Finance	FI04	Quarterly financial reporting	N/A	14			0
Finance	FI05	Strengthen procurement controls	July 21 2010	14			1
Finance	FI06	Establish process for coordinating and responding to external audits	N/A	5			0
Finance	FI07	Fund balance policies	Dec 2010	2			0
Finance	FI08	Transfer tax collection duties to other entities	Jan 1 2011	12			Jan-10
Finance	FI09	Eliminate the Reading Call Center or equivalent level of costs	Jan 1 2011	18			Jan-10
Finance	FI10	Centralize billing and other administrative functions	N/A	18			Jan-10
Finance	FI11	Reduce manual processes	N/A	5			0.25
Finance	FI12	Citywide 7.5 percent reduction in non-personnel expenses (retain 2011 spending levels in 2012)	Jan 1 2011	18			0
Finance	FI13	Monitor and manage utility services	Dec 31 2010	5			0
Finance	FI14	Develop a performance management system	N/A	2			0
Information Technology	IT01	Move information technology support for the Police Department to Berks County	Dec 31 2010	2			0
Information Technology	IT02	Help other departments improve their use of technology; rept Mayor Council & Coordinator	Aug 20 2010	11			0.5
Information Technology	IT03	Pursue shared services for information technology	N/A	2			0
Capital Improvement Plan	CB01	Create an annual CIP document	N/A	3			0
Capital Improvement Plan	CB02	Increased involvement in CIP process from City departments	N/A	3			0

Capital Improvement Plan	CB03	Enhance communication between City and utilities	N/A	3			0
Capital Improvement Plan	CB04	Capital budget financing	N/A	3			0
Human Resources	HR01	Establish a first source employment referral system	Jan 1 2011	14			0
Human Resources	HR02	Complete a City-wide job study and update job descriptions	Jan 1 2012	3			0
Human Resources	HR03	Establish performance review process	N/A	2			0
Human Resources	HR04	Strengthen employee training	Sept 30 2010	2			0
Human Resources	HR05	Continue to create apprenticeship and internship opportunities	N/A	2			0
Human Resources	HR06	Study span of control	N/A	3			0
Human Resources	HR07	Outsource payroll processing	N/A	15			0
Human Resources	HR08	Develop a performance management system	N/A	2			0
Insurance and Risk Management	RM01	Establish policies to review employee driving records	N/A	2			0
Insurance and Risk Management	RM02	Attain damage estimates to improve cost recovery	Dec 31 2010	2			0
Insurance and Risk Management	RM03	Review excess liability coverage	N/A	2			0
Insurance and Risk Management	RM04	Update insurance specifications	N/A	3			0
Human Relations	HC01	Review HRC staffing	N/A	3			0
Law	LW01	Manage and reduce the use of outside counsel	Dec 31 2011	22			0

Law	LW02	Review all statutes, ordinances & resolutions to ascertain which boards need to retain their own counsel	N/A	2			0
Law	LW03	Implement a time tracking system	N/A	2			0
Law	LW04	Use professional assistance for labor relations activities	N/A	11			0
Reading Public Library System	RL01	Participate in restructuring the Reading Public Library ; Council Pres & Man Director	N/A	5			0
Fire	FD01	Change current shift schedule	Dec 31 2010	16			0
Fire	FD02	Restructure EMS Basic Life Support (BLS) unit staffing plan	Jan 1 2011	16			0
Fire	FD03	Establish part-time EMS positions to address vacancies and planned stand-by events	Jan 1 2011	16			0
Fire	FD04	Implement an engine company inspection program	Jan 1 2011	15			0
Fire	FD05	Evaluate potential for further consolidation of fire stations	RFP 2012	3			0
Fire	FD06	Adjust false alarm ordinance to more accurately reflect costs	Jan 1 2011	15		Bill 40-2010	Complete
Fire	FD07	Implement an emergency response fee	Jan 1 2011	3			0
Fire	FD08 I	Improve department use of technology rept to Mayor Council & Coordinator	Jan 1 2012	3			0
Fire	FD09	Pursue joint ladder purchase and other intergovernmental cooperation initiatives	N/A	3			0
Fire	FD10	Develop a performance management system	N/A	2			0
Police	PD01	Continue discussions with the County regarding the transfer of emergency 911 dispatch functions	N/A	11			0
Police	PD02	Reduce headcount in 2012	Jan 1 2012	3			0

Police	PD03	Explore regional alternatives to City bomb squad	N/A	2			0
Police	PD04	Other intergovernmental cooperation	N/A	2			0
Police	PD05	Discontinue leasing patrol vehicles	Jan 1 2011	2			0
Police	PD06	Improve cost recovery for extra duty overtime	Jan 1 2011	2			0
Police	PD07	Full cost recovery for officers assigned to Reading Housing Authority properties	Jan 1 2011	2			Dec-10
Police	PD08	Burglar alarms	Jan 1 2011	3		Bill 41-2010	Complete
Police	PD09	Establish Arson Investigation Task Force with Fire Department	N/A	2			0
Police	PD10	Track overtime expense by category	Jan 1 2011	12			0
Police	PD11	Develop a performance management system	N/A	2			0
Public Works	PW01	Review City fleet policies, practices, and needs	N/A	2			0
Public Works	PW02	Create a comprehensive vehicle list	July 30 2010	14			0
Public Works	PW03	Explore opportunities for fleet maintenance contracts with neighboring jurisdictions	Jan 1 2011	2			0
Public Works	PW04	Initiate auction/E-Bay sale of surplus vehicles and equipment in-lieu of trade-in	Dec 31 2010	2			0
Public Works	PW05	Develop a multi-jurisdictional vehicle and equipment organization	Jan 1 2011	3			0
Public Works	PW06	Initiate second shift at Garage for routine maintenance	Dec 31 2010	3			0
Public Works	PW07	Purchase and implement use of fleet management software	Dec 31 2010	2			0

Public Works	PW08	Charge back of all fleet expenses to all Departments; create service agreements	N/A	3			0
Public Works	PW09	Explore a public works apprenticeship program	N/A	3			0
Public Works	PW10	Evaluate possible contract maintenance of all parks	RFP 2010	2		PW Committee	0
Public Works	PW11	Evaluate minor park use and consider alternative management, use, or disposal of underused parks	Dec 31 2010	3		HPO Project	0
Public Works	PW12	Combine the Parks and Property Maintenance divisions	Jan 1 2011	2			0
Public Works	PW13	Transfer the Engineering division to the PW Administration division	N/A	3			Complete
Public Works	PW14	Maintain transfers from the Sewer Fund	N/A	5			0
Public Works	PW15	Establish and enforce a utility cut permit program	Jan 1 2011	3			0
Public Works	PW16	Improve department use of technology	Aug 30 2010	2			0
Public Works	PW17	Continue to explore establishing Rdg Recreation Commission, see Cod Ords Chapter 1 Part 5 K	N/A	3		Underway	0
Public Works	PW18	Develop a Performance Management System	N/A	2			0
Public Works	PW19	Create a City Stormwater Utility	N/A	2			0
Public Works	PW20	Evaluate special assessment charge system to recover street expenditures	Jan 1 2011	3			0
Public Works	PW21	Resolve public/private ownership of street lighting system and apply uniformly	Jan 1 2011	3			0
Public Authorities	PA01	Negotiate additional annual payment from RAWA	Nov 30 2010	11			Dec-10
Public Authorities	PA02	Establish an annual payment from RPA	Nov 30 2010	11			Nov-10

Public Authorities	PA03	Explore options for authority provision of services	N/A	11			0
Public Authorities	PA04	Explore transfer of RAWA City employees to RAWA	N/A	11			0
Community Development	CD01	Schedule additional Zoning Board hearings to eliminate backlog this year	Dec 31 2010	13			0
Community Development	CD02	Close out unpaid Community Development loans	Dec 31 2010	2		Underway	0
Community Development	CD03	Improve department use of technology	N/A	2			0
Community Development	CD04	Update comprehensive plan	Dec 31 2011	3			0
Community Development	CD05	Develop a performance management system	N/A	2			0
Property Maintenance Inspection	CE01	Clear rental inspection backlog	Dec 31 2010	13			0
Property Maintenance Inspection	CE02	Implement systematic two-year permitting and inspection program for rental housing	Jan 1 2011	13			0
Property Maintenance Inspection	CE03	Consider expanding shift coverage to evenings and weekends	N/A	13			0
Property Maintenance Inspection	CE04	Improve department use of technology	Aug 31 2010	2			0
Property Maintenance Inspection	CE05	Cross-train Fire Safety and Trades Inspectors	N/A	3			0
Property Maintenance Inspection	CE06	Assemble and systematically deploy code enforcement teams	N/A	2			0
Property Maintenance Inspection	CE07	Increase "no-show" penalty fees for property owners' absent at scheduled inspections	Jan 1 2011	13		Introduced 12-13-10	0
Property Maintenance Inspection	CE08	Consider adding pre-sale housing inspections	N/A	2			0
Property Maintenance Inspection	CE09	Develop a performance management system	N/A	2			0

Housing	HS01	Designate a Designate a Housing Coordinator	Aug 21 2010	12			0
Housing	HS02	Develop a comprehensive housing strategy	Mar 31 2011	13		Underway	0
Housing	HS03	Evaluate use of CDBG funding to ensure it supports the housing strategy	N/A	13			0
Economic Development	ED01	Develop a local economic development partnership and comprehensive strategy	N/A	13		Underway	0
Revenue	RE01	Delinquent tax collection	Dec 31 2010	12		contracts Linebarger/Portnoff	0
Revenue	RE02	Develop Water Fund transfer policy	Jan 1 2011	17			0
Revenue	RE03	Institute PILOT from the Reading Parking Authority (RPA)	Jan 1 2011	11			0
Revenue	RE04	Conduct tax exempt property audit and expand PILOT payments	Jan 1 2011	2			0
Revenue	RE05	Index fees to inflation	Dec 31 2010	5			0
Revenue	RE06	Generate additional revenue through Market Based Revenue Opportunities	July 1 2011	2			0
Revenue	RE07	Establish revenue estimating committee, Admin, Council Pres & Finance Chair	N/A	11		First mtg 9-1	0
Revenue	RE08	Temporarily expand earned income tax; reduce resident rate in 2014	Jan 1 2011	11			0
Revenue	RE09	Property tax increase in 2014	Dec 31 2013	3			0
Revenue	RE10	Failsafe revenue package	N/A	3			0
Revenue	RE11	Explore a change to a Land Value Tax structure	Rept 4 2011	3			0

